



TOWN COUNCIL NOTICE & AGENDA

**REGULAR MEETING
TUESDAY, JULY 14, 2026
6:00 PM**

COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY, ARIZONA 86323

A majority of the Councilmembers may attend a private invocation in the Council Conference Room immediately prior to the Council meeting. No Town business will be discussed.

***AMENDED* AGENDA & PACKET – ITEM 6(b) ADDED**

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a. Update on Economic Development Strategic Planning

3. CALL TO THE PUBLIC - Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council. Public comment is at the discretion of the Council and not required by law. Individuals are limited to speak for three (3) minutes, yielding of time will not be permitted. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment on items not on the agenda will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism. Public comment is invited and encouraged, however, personal attacks on individuals is not appropriate. Disrespectful behavior will not be tolerated; this includes loud outbursts, profanity, and disruptive discussions among our audience.

4. CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

a. Status reports by Mayor and Council regarding current events.

b. Status report by Town Manager Terri Denemy regarding Town accomplishments, and current or upcoming projects.

5. CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any

Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

- a. Consideration and possible action to appoint members to the Public Safety Retirement Board (PSRB).
- b. Consideration and possible action to approve a Third Amendment to the Ranch and Farm Lease Agreement between the Town of Chino Valley and Curt A. Wells on the Del Rio Ranch property formerly known as the Bond Ranch.
- c. Consideration and possible action to approve Resolution No. 2026-1321, Intergovernmental Agreement with the Arizona Department of Public Safety, Gang & Immigration Intelligence Team Enforcement Mission (GIITEM), and Chino Valley Police Department.
- d. Consideration and possible action to adopt Resolution No. 2026-1315, levying and assessing an ad valorem tax on the assessed value of all real and personal property within the boundaries of the Town of Chino Valley Street Lighting Improvement Districts (CVSLID) for fiscal year 2026-2027, pursuant to Section 48-574, Arizona Revised Statutes.
- e. Consideration and possible action to adopt Resolution No. 2026-1316, levying and assessing an ad valorem tax on the assessed value of all real and personal property within the boundaries of the Town of Chino Valley Del Sol Maintenance Improvement District for fiscal year 2026-2027, pursuant to Section 48-574, Arizona Revised Statutes.
- f. Consideration and possible action to approve the June 9, 2026, regular meeting minutes.
- g. Consideration and possible action to approve the June 23, 2026, regular and special meeting minutes.

6. ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a. Consideration and possible action to approve a budget transfer in the amount of \$35,000 from the General Fund contingency to the General Fund - Engineering - Water Resources Consultant budget and to approve the Amended and Restated Professional Services Agreement with Mark Holmes, LLC, for water resources consulting services.

Recommended Action: (a) Approve the budget transfer in the amount of \$35,000 from General Fund contingency to the General Fund - Engineering - Water Resources Consultant budget; and (b) Approve the Amended and Restated Professional Services Agreement with Mark Holmes LLC for water resources consulting services.

- b. Consideration and possible action to approve a Second Amendment to the Purchase and Sale Agreement between the Town of Chino Valley and Chino Valley Rodeo Drive, LLC,

extending the closing date by 60 days.

Recommended Action: Approve a Second Amendment to the Purchase and Sale Agreement between the Town of Chino Valley and Chino Valley Rodeo Drive, LLC, extending the closing date by 60 days.

7. ADJOURNMENT

Dated this 13th day of July, 2026.

By: *Erin N. Deskins, Town Clerk*

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 928-636-2646 (voice) or 711 (Telecommunications Arizona Relay Service) 48 hours prior to the meeting to request reasonable accommodation to participate in this meeting. Citizens will have access to the meeting room 30 minutes prior to the start time of each meeting.

Council meetings are live-streamed on Town of Chino Valley website, www.chinoaz.net.

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date: _____

Time: _____

By: _____

Erin N. Deskins, Town Clerk



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 2a
MEETING DATE: 7/14/2026
CONTACT PERSON: Maggie Holmberg, Economic Development Manager, Laurie Lineberry, Development Services Director, Ryan Anderson, Public Works Director
ITEM TYPE: Presentation

AGENDA ITEM TITLE:
Update on Economic Development Strategic Planning

SUMMARY:
Per Council's direction, the Town Staff have been working on details of options and opportunities for development of a General Plan aligned, Economic Development Strategy for Council consideration. Staff will update Council on the progress and goals for an upcoming Study Session at which Council can engage in discussion of the options and opportunities to provide further direction for staff action.

PREVIOUS ACTION:
N/A

STAFF RECOMMENDATION:
N/A

FISCAL IMPACT?
N/A

ATTACHMENTS:

None



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 5a
MEETING DATE: 7/14/2026
CONTACT PERSON: Laura Kyriakakis, Human Resources Director
ITEM TYPE: Consent Item

AGENDA ITEM TITLE:

Consideration and possible action to appoint members to the Public Safety Retirement Board (PSRB).

SUMMARY:

The PSRB is made up of the Mayor, two members appointed from the Association, and two members appointed from the public. Dean Keller (public) voluntarily resigned from the PSRB in February 2026, and Sergeant Deana Winn, Chino Valley Police Department, (Association) retired from the Town in June 2026, leaving two open spots on the Board. Detective Brent Giuliani, Chino Valley Police Department, (Association) and Jack Miller (public) have both submitted their applications for appointment to the Board.

PREVIOUS ACTION:

N/A

STAFF RECOMMENDATION:

Appoint Brent Giuliani and Jack Miller to the Public Safety Retirement Board.

FISCAL IMPACT?

N/A

ATTACHMENTS:

1.	J Miller redacted
2.	B Giuliani redacted



CHINO VALLEY

A R I Z O N A

Town Clerk

202 N. State Route 89
Chino Valley, AZ 86323
Phone (928) 636-2646

clerks@chinoaz.net; www.chinoaz.net

APPLICATION FOR PUBLIC BODY APPOINTMENT

(Council, Commissions, Boards, Committees)

PUBLIC BODY APPLYING FOR:

- | | |
|---|--|
| ☐ Town Council | ☐ Parks & Recreation Advisory Board |
| ☐ Planning & Zoning Commission | ☐ Board of Adjustment |
| ☐ Building Advisory Board | ☐ Capital Improvement Program Citizen's
Advisory Committee |
| ☐ Other | |

NAME

RESIDENCE ADDRESS

MAILING ADDRESS

PHONE #s

EMAIL

IS YOUR RESIDENCE WITHIN THE TOWN LIMITS?

☐ YES ☐ NO

HOW LONG HAVE YOU LIVED IN THE CHINO VALLEY AREA?

ARE YOU A QUALIFIED ELECTOR
(qualified to vote even if not registered)?

☐ YES ☐ NO

ARE YOU RELATED TO ANY TOWN EMPLOYEE?

Yes
☐ YES ☐ NO

If Yes, what is the employee's name?

***Please respond to the questions below.
Attach a separate sheet if necessary.***

Have you ever served on a municipal public body? If yes, please note the name of the public body, the municipality served in, and length of time served.

Why would you like to be appointed to this position?

What do you believe is the key responsibility of this position?

What experience, skills, and qualities would you bring to this position?

Please attach a RESUME or SUMMARY of related previous experience, if applicable (REQUIRED for Planning and Zoning Commission & Board of Adjustment).

SIGNATURE

DATE

Office Use Only:

Appointment Date:	Term Start:	Resignation/Term End:
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***Return application to Town Clerk's Office, 202 N. State Route 89, Chino Valley, or
email scanned application to clerks@chinoaz.net***



CHINO VALLEY

A R I Z O N A

Town Clerk

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APPLICATION FOR PUBLIC BODY APPOINTMENT

(Council, Commissions, Boards, Committees)

PUBLIC BODY APPLYING FOR:

- | | |
|---|---|
| ☐ Town Council | ☐ Parks & Recreation Advisory Board |
| ☐ Planning & Zoning Commission | ☐ Board of Adjustment |
| ☐ Building Advisory Board | ☐ Capital Improvement Program Citizen's Advisory Committee |
| ☒ Other <u>Public Safety Retirement Board</u> | |

NAME BRENT GIULIANI

RESIDENCE ADDRESS [REDACTED] PRESCOTT AZ. 86301

MAILING ADDRESS SAA

PHONE #s [REDACTED]

EMAIL BGIULIANI@CHINOVALLEYAZ.GOV

IS YOUR RESIDENCE WITHIN THE TOWN LIMITS?

☐ YES ☒ NO

HOW LONG HAVE YOU LIVED IN THE CHINO VALLEY AREA?

18 YEARS

ARE YOU A QUALIFIED ELECTOR
(qualified to vote even if not registered)?

☒ YES ☐ NO

ARE YOU RELATED TO ANY TOWN EMPLOYEE?

☐ YES ☒ NO

If Yes, what is the employee's name?

N/A

**Please respond to the questions below.
Attach a separate sheet if necessary.**

Have you ever served on a municipal public body? If yes, please note the name of the public body, the municipality served in, and length of time served.

NO

Why would you like to be appointed to this position?

HONESTLY NO ONE ELSE WANTS TO DO IT. AND I AM ALWAYS WILLING TO ASSIST THE CVPD

WHEREVER I CAN TO KEEP THINGS RUNNING SMOOTHLY AND I THINK THIS WILL BE A GREAT LEARNING EXPERIENCE FOR ME TO SEE A NEW PERSPECTIVE ON HOW THINGS RUN.

What do you believe is the key responsibility of this position?

DETERMINING ELIGIBILITY OF PERSONS SEEKING RETIREMENT AND VOTING NEW PERSONS INTO THE RETIREMENT SYSTEMS

REVIEWING IF THEY ARE ELIGIBLE AND ENSURING THEY HAVE A FAIR HEARING OF THEIR RETIREMENT OR DESIRE TO BE VOTED INTO THE SYSTEM

What experience, skills, and qualities would you bring to this position?

I AM A PROFESSIONAL INVESTIGATOR AND AM ADEPT AT HEARING AND REVIEWING STATEMENTS.

ON A DAY TO DAY BASIS I DETERMINE THE VERACITY OF THOSE STATEMENTS AND AM

ABLE TO MAKE UNBIASED DETERMINATIONS BASED ON THE FACTS OF WHEAT IS PRESENTED.

Please attach a RESUME or SUMMARY of related previous experience, if applicable (REQUIRED for Planning and Zoning Commission & Board of Adjustment).


SIGNATURE

06/22/2026

DATE

Office Use Only:

Appointment Date:	Term Start:	Resignation/Term End:
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**Return application to Town Clerk's Office, 202 N. State Route 89, Chino Valley, or
email scanned application to clerks@chinoaz.net**



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 5b
MEETING DATE: 7/14/2026
CONTACT PERSON: Jessi Sorteberg, Executive Analyst
ITEM TYPE: Consent Item

AGENDA ITEM TITLE:

Consideration and possible action to approve a Third Amendment to the Ranch and Farm Lease Agreement between the Town of Chino Valley and Curt A. Wells on the Del Rio Ranch property formerly known as the Bond Ranch.

SUMMARY:

Following the Town's purchase of the Fred Harvey Parcel, which took place on March 17, 2025, the Town continued to allow Curt A. Wells to occupy portions of the property for cattle-related operations at a rate of \$200 per month. Under the most recent amendment, Mr. Wells utilized the Medicine Shed, Hay Shed, and Corral Area and exercised grazing rights within the property for weed mitigation.

This amendment allows ongoing use of the Medicine Shed, Corral Area, and Hay Shed, but revokes unilateral grazing rights. It replaces them with intermittent rights as determined to be of mutual interest and requested and approved by both parties in writing. The Town is actively conducting cleaning-up, remediation, stabilization, and site preparation activities throughout the approximately 22-acre parcel, with the long-term goal of renovation and reuse to open the site for historic preservation, education, and public use. As these efforts progress and public access is anticipated in the future, limiting unrestricted livestock access will help support site management objectives, reduce potential conflicts between property uses, people and cattle, as well as enhance overall safety. The agreement provides a modest income for the town to support these activities, allows for the potential use of Mr. Well's cattle grazing for no-cost weed mitigation, and respects and appreciates the partnership and ranching history of the site and of Mr. Wells in our community for as long as may be mutually beneficial to both parties on this property.

PREVIOUS ACTION:

Approval of Second Amendment, extending lease term and allowing cattle access to Medicine Shed, Corral Area, Hay Shed, and open grazing rights.

STAFF RECOMMENDATION:

Approve the Third Amendment to the Ranch and Farm Lease Agreement between the Town of Chino Valley and Curt A. Wells.

FISCAL IMPACT?

This amendment has no financial impact, as the monthly lease payment remains \$200.

ATTACHMENTS:

1.	LSE - Del Rio Springs - Third Amendment to Ranch and Farm Lease Agreement
2.	LSE Exhibit 1 - Original Lease
3.	LSE Exhibit 2 - Grazing Lease
4.	LSE Exhibit 3 - Harvey Parcel Grazing Lease

THIRD AMENDMENT TO THE RANCH AND FARM LEASE AGREEMENT

THIS THIRD AMENDMENT TO THE RANCH AND FARM LEASE AGREEMENT (this “Amendment”) is made and entered into on July 14, 2026, by and between the TOWN OF CHINO VALLEY, an Arizona municipal corporation (the “Town”), and CURT A. WELLS (“CW”). The Town and CW are the only parties to this Amendment; each is a “Party,” and together, they are the “Parties.”

RECITALS

A. On December 8, 2023, CW and Del Rio Springs Loan Partners, L.L.C. (“Former Lessor”) entered into the Ranch and Farm Lease Agreement (the “Original Lease”) to lease the property formerly known as the Bond Ranch in Chino Valley, Arizona. The Original Lease is attached hereto as Exhibit 1.

B. Due to a pending sale, by letter dated January 3, 2024, Former Lessor exercised its right to partially terminate the Original Lease, and on January 16, 2024, CW and Former Lessor executed the First Amendment to Ranch and Farm Lease Agreement, amending the Original Lease to modify the terms of the partial termination (the Original Lease, as amended by the First Amendment, is the “Grazing Lease”). The Grazing Lease is attached hereto as Exhibit 2.

C. The Grazing Lease was intended to wind down CW’s use of the ranch so that, beginning June 1, 2024, CW’s use of the ranch was limited to a portion identified as Part B-1 (the “Harvey Parcel”) and only for non-grazing agricultural purposes; however, the Town purchased the Harvey Parcel and took ownership on March 17, 2025, with the intention of allowing CW to continue using it for limited ranch operations.

D. On February 2, 2026, the Parties executed the Second Amendment to Ranch and Farm Lease Agreement, agreeing to continue the Grazing Lease as to the Harvey Parcel only, effective April 1, 2025, on the terms outlined in the Second Amendment (the Grazing Lease, as amended by the Second Amendment, and limited in scope to just the Harvey Parcel, is the “Harvey Parcel Grazing Lease”).

E. The Harvey Parcel Grazing Lease, which is attached hereto as Exhibit 3, allowed CW to continue using the Harvey Parcel for limited ranch operations, including storing hay in the pole barn, using the medicine shed, keeping up to 55 cattle in the corral, and allowing those cattle to graze on the Harvey Parcel.

F. In this Amendment, the Ranch and Farm Lease Agreement, as amended by the First and Second Amendments, is referred to as the “Lease” instead of the “Harvey Parcel Grazing Lease.”

G. The Parties wish to amend the Lease and renew it through March 31, 2027.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good

and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Capitalized Terms. All capitalized terms not otherwise defined in this Amendment have the same meanings as set forth in the Lease.

2. Term.

2.1 Renewal. The term of the Lease is hereby extended for the first of up to five successive one-year renewal terms and shall remain in full force and effect through March 31, 2027, unless sooner terminated as provided in the Lease or this Amendment.

2.2 Termination. Either Party may terminate the Lease by giving the other Party 90 days' written notice thereof.

2.3 Removal of Personal Property. Upon termination of the Lease, CW shall remove all of CW's personal property from the Harvey Parcel by the termination date. Any personal property remaining on the Harvey Parcel after the termination date may be removed, stored, or disposed of by the Town in its sole discretion, at CW's sole cost and expense, and the Town shall have no liability to CW arising from such removal, storage, or disposal. The Town shall not be responsible for any property relocation costs incurred by CW.

3. Use of the Harvey Parcel.

3.1 Limited Ranch Operations. CW may continue using the Harvey Parcel and the existing facilities thereon, including storing hay in the pole barn, using the medicine shed, storing his gates on-site, and keeping up to 55 cattle in the corral. CW shall keep the medicine shed locked at all times, except during the brief periods reasonably necessary for CW to enter, access, or secure the shed.

3.2 Grazing Prohibited; Temporary Grazing Rights. CW shall not allow any cattle to graze on the Harvey Parcel. However, if requested in writing, the Town may, in its sole and absolute discretion, grant CW temporary grazing rights during the Term by providing written notice to CW specifying the grazing area, the permitted livestock, and the applicable commencement and expiration dates of the grazing period. Any such temporary grazing rights shall constitute a revocable license only, be subject to all terms and conditions set forth in the Town's notice, and automatically terminate upon the expiration date specified in the notice unless extended by a subsequent written notice from the Town. The Town may revoke any temporary grazing rights at any time upon written notice to CW, whereupon CW shall cease all grazing activities and remove all livestock from the grazing area no later than the date specified in the Town's notice, which date may be immediate if the Town determines that continued grazing could adversely affect the property or Town operations.

4. Effect of Amendment. In the event of any conflict between the provisions of this Amendment and the Lease, the provisions of this Amendment shall control. In all other respects, the Lease is affirmed and ratified, and, except as expressly modified herein, all terms and conditions of the Lease shall remain in full force and effect.

5. Non-Default. By executing this Amendment, CW affirmatively asserts that (i) the Town is not currently in default, nor has been in default at any time prior to this Amendment, under any of the terms or conditions of the Lease, and (ii) any and all claims by CW, known and unknown, relating to the Lease and existing on or before the commencement date of this Amendment are forever waived.

6. Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed original hereof.

7. Cancellation for Conflict of Interest. This Agreement may be canceled pursuant to A.R.S. § 38-511.

8. Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Grazing Lease and this Amendment will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party, the Harvey Parcel Grazing Lease will promptly be physically amended to make such insertion or correction.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

TOWN OF CHINO VALLEY

CURT A. WELLS

Tom Armstrong, Mayor

Curt A. Wells

Date

Date

ATTEST:

Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld P.L.C.

EXHIBIT 1
TO THE
THIRD AMENDMENT TO THE RANCH AND FARM LEASE AGREEMENT

[Original Lease: Ranch and Farm Lease Agreement]

See following pages.

EXHIBIT 2
TO THE
THIRD AMENDMENT TO THE RANCH AND FARM LEASE AGREEMENT

[Grazing Lease: First Amendment to Ranch and Farm Lease Agreement]

See following pages.

EXHIBIT 3
TO THE
THIRD AMENDMENT TO THE RANCH AND FARM LEASE AGREEMENT

[Harvey Parcel Grazing Lease: Second Amendment to Ranch and Farm Lease Agreement]

See following pages.

RANCH AND FARM LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this 8th day of December, 2023 by and between DEL RIO SPRINGS LOAN PARTNERS, L.L.C, (hereinafter referred to as "LESSOR") and CURT A. WELLS (hereinafter referred to as "LESSEE").

WITNESSETH

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions hereinafter specified, the parties hereto agree as follows:

1. PROPERTY. LESSOR hereby leases to LESSEE that certain real property situated in Yavapai County, Arizona, comprising approximately Two Thousand Nine Hundred Fifty-eight acres, plus or minus, known as The Bond Ranch in Chino Valley, **including House #4 (address unknown at this time)** to be used as a cattlemen's house, more fully described in Exhibit "A" (attached hereto and made a part hereof), hereinafter referred to as the "Property", to be used for a cattle ranching operation and for no other purpose.

2. TERM. This Lease shall be for a term of Thirty-Six months and shall commence on the 1st day of January, 2024 and shall terminate on the 31st day of December, 2026. However, notwithstanding anything to the contrary herein, it is understood and agreed that LESSOR shall have the right to terminate all or a portion of this Lease, at LESSOR'S sole discretion, upon written notice to LESSEE. LESSOR shall give LESSEE 180 days Notice to terminate the entire lease and a minimum of 90 days to terminate the lease if for only a portion of the land covered by the lease. In the event of cancellation, a pro rats refund of the rental paid in advance shall be made to LESSEE.

2a. EXTENSION OF TERM. LESSEE shall have the option to extend the term of this Lease for a period not to exceed one (1) year provided that Lease is not in default, and provided, further, that LESSOR has not exercised its right to terminate the Lease in accordance with Section 2 above. Said option must be exercised by LESSEE within ninety (90) days prior to the end of the initial term of this Lease. If option is exercised, rental rate will be negotiated prior to the start of the new term.

3. RENTAL. LESSEE agrees to pay LESSOR as annual rental for said Property Six Hundred Dollars (\$600.00) per year, in monthly installments of \$100.00 for six (6) consecutive months, beginning January 1, 2024 and continuing January of each year. This annual rental includes the payment of ad valorem property taxes. LESSEE shall be solely responsible for the payment of personal property taxes assessed against the personal property of LESSEE used for its cattle ranching operation on the Property herein.

4. POSSESSION. Possession and occupancy of the Property shall be delivered to LESSEE

upon the commencement of the term. LESSEE shall not use or occupy the Property in any manner, or for any purpose, other than for the uses and purposes expressly authorized herein without the prior written consent of LESSOR first had and obtained. LESSOR and its agents or assigns hereby expressly reserve the right of ingress and egress over, through and across the Property for any purpose, including but not limited to survey, development and improvements.

5. FENCING. LESSEE shall be responsible for installing and maintaining, at its sole cost, adequate fencing to separate the Property subject to this Lease from adjacent properties, and all such fencing shall become and remain the property of LESSOR. All fencing to be constructed shall conform to typical ranch standard fencing for the area. It is understood that LESSEE may utilize any portions of the existing perimeter fence which may be along the property herein; however, any existing perimeter fencing to be utilized must be maintained by LESSEE, at its sole cost, to conform to typical ranch and farm standard fencing. All roadways, drainageways, easements, utilities, etc., as designated by LESSOR shall be fenced and cattle guards shall be installed in such locations as may be required by LESSOR and shall be of such design and specifications approved by LESSOR to restrain the livestock within the Property herein and to prevent damage caused by or to the livestock. The expense of fencing, cattle guards and labor shall be borne solely by LESSEE; in connection therewith, the expense of survey and construction of access roads required by LESSEE shall be borne solely by LESSEE.

6. WELLS. LESSOR may, but shall not be required to, allow LESSEE to drill new water wells on the Property herein for its farming and cattle ranching operation. LESSEE must first obtain LESSOR'S written consent prior to drilling for any new well. All new water wells shall be installed, operated and maintained in LESSEE'S sole expense in accordance with the design and construction specifications approved by LESSOR in writing in LESSOR'S sole discretion; however, it is understood and agreed that LESSOR is under no obligation to approve any of the locations requested by LESSEE. LESSEE shall be responsible for obtaining all permits or licenses required by law for drilling and installation of new water wells. All water well casings installed by LESSEE shall become the property of LESSOR. All pumps, motors and other equipment that may be installed by LESSOR at its sole expense shall remain the property of LESSOR. LESSEE shall be responsible to maintain and pay for electric and repairs of any water wells that LESSEE is using on the property.

7. BUILDINGS AND OTHER IMPROVEMENTS. LESSEE shall be entitled to use any existing buildings and other improvements on the Property and any buildings used by LESSEE shall be up-kept at LESSEE'S sole expense in their present condition as of the signing of this lease, ordinary wear and tear excepted. LESSEE shall notify LESSOR of its intention to use any existing improvement prior to usage. LESSEE shall not erect any buildings or other improvements of any kind on the Property without the prior written consent of LESSOR first had and obtained.

LESSEE shall be responsible to maintain and pay electric, at its own expense, the two habitable bunk houses.

8. WASTE. LESSEE agrees not to commit waste on or damage to the Property and shall use due care and its best efforts to prevent others from doing so. In the event that waste or damage is committed upon the Property by the LESSEE, the LESSEE shall be responsible for the repair thereof to the satisfaction of LESSOR or for the payment of damages to LESSOR. LESSEE agrees not to cut or remove timber, stump wood, deadwood, cactus or other similar native vegetation, living trees, minerals, petrified wood, aggregate, precious or semi-precious stones, items of historical value, etc., without the express prior written consent of LESSOR first had and obtained and shall use due care and its best efforts to prevent others from doing so.

9. ASSIGNMENT AND SUBLETTING. LESSEE shall not assign or transfer this Lease, in whole or in part, or sublet the whole or any portion of the Property without the written consent of LESSOR first having been obtained.

10. LIENS. LESSEE shall not incur any indebtedness giving right to a lien of any kind upon the LESSOR'S interest in and to the above-described lands. LESSOR'S interest shall not be subject to liens for improvements made by LESSEE on the above subject lands. In the event any liens are filed, due to improvements made by LESSEE, LESSEE shall immediately discharge said lien by such manner as permitted by law.

11. INSURANCE AND INDEMNIFICATION. LESSEE agrees to indemnify, defend and hold LESSOR harmless from and against any claims, causes of action, actions, law suits, damages and costs, including attorney's fees, resulting from injury or death to all persons on the Property (including the employees, agents and representative of LESSOR) or damage or loss to Property, including authorized farming and livestock grazing upon the land, caused by or arising out of the farming and cattle ranching operation or caused by or arising from the fault or neglect of LESSEE, its agents, servants, employees, invitees or guests. LESSEE shall carry public liability insurance in a minimum amount of \$500,000.00, naming LESSOR as an Additional Insured, and LESSEE shall deliver Certificate of Insurance from a reputable Arizona insurance carrier to LESSOR evidencing same and providing that said insurance will not be canceled without giving LESSOR thirty (30) days prior written notice. LESSEE further agrees to procure and keep in full force and effect workmen's compensation insurance for all employees engaged and used by LESSEE in connection with its operation under this Lease.

12. DEFAULT: LESSOR'S REMEDIES. It shall be an event of default by LESSEE

hereunder; if LESSEE shall fail to timely pay the rent provided for herein or to observe or perform any of the obligations of LESSEE otherwise provided for herein; if a petition in bankruptcy or an application for any other relief under any provision of the Bankruptcy Act is filed by or against LESSEE; if LESSEE shall make an assignment for the benefit of creditors; if a receiver is appointed for any of the assets or affairs of LESSEE; if LESSEE should commit any act of bankruptcy; or if LESSEE'S interest hereunder shall be levied upon under execution or seized by virtue of any writ of any court of law or equity and the effect of such levy or writ is not promptly stayed or vacated. If LESSEE shall fail to perform any of the terms, conditions and covenants herein contained to be kept and performed by LESSEE and said nonperformance continues for a period of Fifteen (15) days after written notice of the same has been given by LESSOR to LESSEE, then, in any such event, in addition to all other remedies which may be available to LESSOR in law or in equity, LESSOR may, without further notice and with or without process of law (i) enter into and upon the premises or any part thereof and repossess the same, expelling and removing therefrom all persons and property, using such force as may be necessary, and (ii) either (a) terminate the Lease, holding LESSEE for damages for its breach, or (b) treat the Lease as having been breached anticipatory and the premises abandoned by LESSEE without thereby working forfeiture of the rentals to be paid and the covenants to be performed by LESSEE during the full term hereof as hereinabove set forth. If LESSOR shall proceed in accordance with the last mentioned alternative (b), then LESSEE shall, and it does hereby, empower LESSOR to act as agent for LESSEE for the purpose of reletting the premises at such rental and upon such terms and conditions as shall appear to LESSOR advisable, and, in addition, LESSEE shall and it does hereby covenant and agree to pay to LESSOR on the dates hereinabove specified for the payment of the rental due hereunder that amount, if any, which the rental payable hereunder exceeds the net income actually received by LESSOR from the leased Property during the preceding annual period. For the purpose of this paragraph of this Lease, the term "net income" shall mean and be deemed to mean income received less all reasonable costs, expenses and fees (including reasonable attorney's fees) incurred by LESSOR in reletting the lease premises, including but not limited to, the cost of obtaining possession of the premises. The remedies herein granted to LESSOR shall not be exclusive or mutually exclusive and LESSOR shall have such other and additional remedies against LESSEE as may be permitted in law or equity at any time; in particular, any exercise of a right of termination by LESSOR shall not be construed to dispel or discharge any right of LESSOR to damages on account of any default of LESSEE.

13. PRESENT CONDITION OF PREMISES. LESSEE is thoroughly familiar with the condition of the premises and all improvements located thereon, including pumps and housing, and the same shall be accepted in their present "as is" condition except as herein expressly provided to the contrary.

14. INSPECTION. LESSOR shall at all times during the term of this Lease have access to the Property covered herein for the purposes of inspecting the same, or for any other reasonable purpose that will not interfere unreasonably with the operations of LESSEE.

15. SUBORDINATION. LESSOR reserves the right to subordinate this Lease to the lien of any mortgage or mortgages now or hereafter placed upon the Property, provided that any such mortgage shall contain provisions to the effect that so long as LESSEE shall not be in default in any of the terms, covenants and conditions of this Lease through foreclosure of its mortgage or otherwise, LESSEE shall not be disturbed in its possession and use of the Property.

16. ENTIRE LEASE. This LEASE AGREEMENT sets forth all of the agreements, covenants and understandings between the parties hereto relative to the above described lands, and there are no oral or written agreements, covenants, terms, conditions or understandings between them other than are herein set forth. It is further understood and agreed that no subsequent amendments, alterations or additions to the Lease shall be binding upon LESSOR unless reduced in writing and executed by an officer of LESSOR. Nothing herein contained shall be construed as limiting LESSOR from having the full use and enjoyment of its lands, save only as to the rights granted to LESSEE by the terms of this Lease, and nothing herein contained shall be construed or interpreted as granting anything to LESSEE other than farming and cattle ranching operation only.

17. FARMING AND RANCHING METHODS. It is the intent of this Lease that the Property which is to be farmed and ranched by LESSEE during the term hereof shall be farmed and ranched in a good and farmer /rancher-like manner. LESSEE agrees to use good farm and range management and agrees not to exceed the cow unit carrying capacity of the acreage as is the custom in the area, Yavapai County, Arizona. LESSEE shall also make every effort to prevent insect infestation and shall not utilize aerial application of pesticides or defoliants without the prior written consent of LESSOR.

18. HUNTING. LESSEE acknowledges and understands that hunting and trapping of any type of nature shall only be permitted on the Property herein with the permission of the LESSOR, and LESSEE shall use its best efforts and due diligence in preventing anyone without permission from doing so.

19. NOTICES. All notices and communications under or with respect to this Lease shall be sufficiently given if sent by United States registered or certified mail, addressed as specified below, or to such other address as either party may specify to the other in writing during the term of this Lease.

TO LESSOR: DEL RIO SPRINGS LOAN PARTNERS. L.L.C.

Robert O'Rear
9001 NE 26th St.
Clyde Hill, WA 98004

TO LESSEE: CURT A . WELLS
P O BOX 4320
CHINO VALLEY, AZ 86323

PROPERTY MANAGER: PAUL ASLANIAN, Arizona Development Co. LLC
P.O. BOX 13035, PRESCOTT, AZ 86304

All rental payments shall be mailed to DEL RIO SPRINGS
LOAN PARTNERS, L.L.C., at lessor address above, or such other place as
LESSOR may designate in writing.

20. TIME OF THE ESSENCE. Time is of the essence of this Lease and every term,
condition, covenant and provision thereof.

21. CONSENT. Wherever in this Lease consent or approval of either party is required, such
consent or approval shall not be unreasonably withheld.

22. PARTIAL INVALIDITY. In the event any paragraph or any portion of a paragraph of
the Lease shall prove to be in conflict with the laws of the State of Arizona, or any
other laws, such paragraph or portion of a paragraph shall become null and void, but the
remainder of this Lease shall continue in full force and effect.

23. RETURN OF POSSESSION. Upon the expiration of the term of this Lease, or any prior
termination thereof, peaceable possession of all of the Property covered by the Lease shall be
delivered to LESSOR.

24. ATTORNEYS' FEES. In the event of any dispute between the parties hereto with regard
to this Lease, the prevailing party in any legal proceeding brought to enforce right hereunder
shall be entitled to reimbursement of all reasonable costs and expenses including attorneys' fees
at all judicial levels.

25. BINDING ON SUCCESSORS AND ASSIGNS. Each and all of the terms, conditions and covenants herein contained shall extend to and be binding upon the heirs, successors and assigns of the respective parties except as herein otherwise provided.

26. ARIZONA LAW. The provisions of this Lease shall be construed in accordance with and governed by the laws of the State of Arizona.

27. CAPTIONS. The captions at the beginning of the paragraphs of this Lease are for convenience only and are not a party of this Lease and do not in any way limit or amplify the terms of provisions thereof.

28. FIRES. The LESSEE will not burn the Property or set fires thereon, or cause or permit such to be done, and will use every reasonable means within LESSEE'S power to prevent fires and to discover and fight any fires that may be set upon said Property, and will assist LESSOR in preventing, fighting and suppressing any such fires, whether or not such fires be caused by acts of the LESSEE.

29. SOIL REMOVAL. The LESSEE shall not remove or permit to be removed any soil from the Property, *WITH THE EXCEPTION OF THE 2 PILES LOCATED NEAR THE MAIN HORSE SHOE SHAPED LAKE. C.A.W*

IN WITNESS WHEREOF, the parties hereto have executed this LEASE AGREEMENT as of the date first hereinabove written.

DEL RIO SPRINGS LOAN PARTNERS LLC

By:  Robert O'Rear 12/12/23

 12-8-23
CURT A. WELLS date

FIRST AMENDMENT TO RANCH AND FARM LEASE AGREEMENT

THIS FIRST AMENEMEND TO LEASE AGREEMENT made and entered into this 16th day of January 2024 ("Amendment") by and between DEL RIO SPRINGS LOAN PARTNERS, L.L.C, (hereinafter referred to as "LESSOR") and CURT A. WELLS (hereinafter referred to as "LESSEE").

WITNESSETH

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions hereinafter specified, the parties hereto agree as follows:

1. Lessor and Lessee entered into that Ranch and Farm Lease Agreement dated December 8, 2023 ("Lease") regarding property formerly known as the Bond Ranch in Yavapai County, Arizona and described in the Lease.
2. Lessor has the right to partially terminate the Lease and exercised such right by letter dated January 3, 2024, which was hand delivered to Lessee. Lessor and Lessee have agreed to modify the terms of the partial termination in accordance with the following terms of this Amendment.
3. Lesse shall cause the current occupants of the two houses located on Part A as shown on the attachment to vacate the houses and remove all their personal property from Part A prior to February 28, 2023; however, all fixtures (including without limitation, built-in appliances, refrigerators/freezers, ovens and stoves, ceiling fans, heating and cooling systems, A/C window units, propane tanks and wood-burning stoves) shall remain in the houses.
4. By April 3, 2024, Lessee shall reduce the number of cattle on Part A and Part B-1 to no more than 55 and shall remove such remaining cattle from Part A and Part B-1 by May 31, 2024. Beginning June 1, 2024, use of Part B-1 shall be limited to agricultural operations other than cattle grazing.
5. Lessee shall have until May 31, 2024, to remove the two dirt piles located on Part A, specifically located near the main horseshoe shaped lake. The earthen silage feature located just north of Road 6 North shall not be disturbed.
6. Lessee shall remove all personal property, including but not limited to, ranch equipment and vehicles, from Part A by May 31, 2024.

7. Upon Lessee's compliance with the provisions of paragraph 3 above, Lessor shall pay Lessee \$12,100.

DEL RIO SPRINGS LOAN PARTNERS LLC

By: ^{Authentisign} Robert O'Rear 01/23/24

Curt A Wells

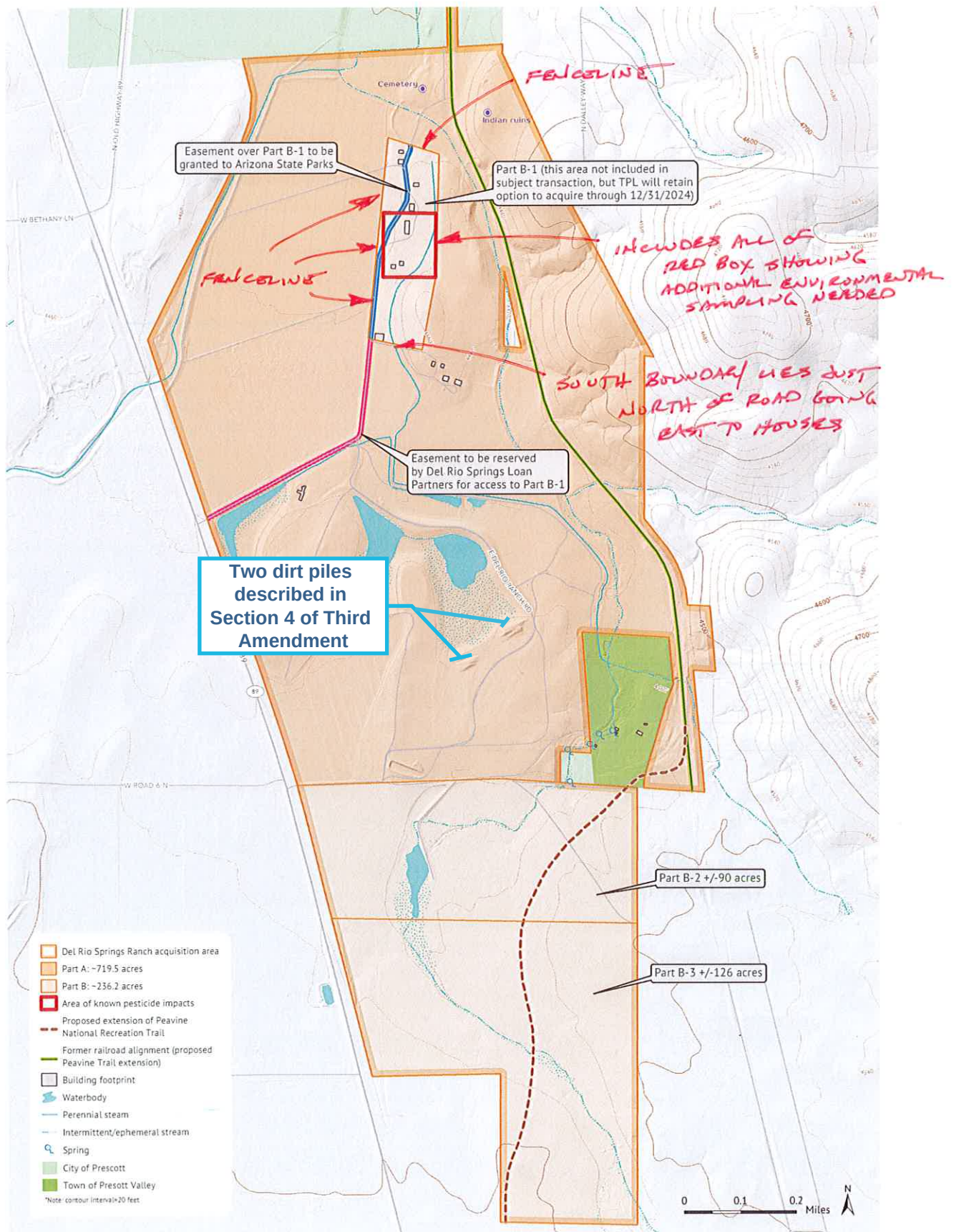
CURT A. WELLS

I acknowledged before me this January 17, 2024
by Curt Wells.

Armidia H. Marcinek

my commission expires 6-1-2027





Del Rio Springs Ranch

TOWN OF CHINO VALLEY, ARIZONA

December 4, 2023. Copyright © Trust for Public Land. Trust for Public Land and Trust for Public Land logo are federally registered marks of Trust for Public Land. Information on this map is provided for purposes of discussion and visualization only. www.tpl.org



SECOND AMENDMENT TO RANCH AND FARM LEASE AGREEMENT

THIS SECOND AMENDMENT TO RANCH AND FARM LEASE AGREEMENT (this "Amendment") is made and entered into this 2nd day of February 2026, by and between the TOWN OF CHINO VALLEY, an Arizona municipal corporation ("Lessor"), and CURT A. WELLS ("Lessee") (each, a "Party," and together, the "Parties").

RECITALS

A. Lessee and Del Rio Springs Loan Partners, L.L.C. ("Former Lessor") entered into the Ranch and Farm Lease Agreement for the lease of property formerly known as the Bond Ranch, in Chino Valley, Arizona, and on January 16, 2024, Lessee and the Former Lessor amended the same (together, the "Grazing Lease").

B. Due to a pending sale, by letter dated January 3, 2025, the Former Lessor exercised its right to partially terminate the Grazing Lease as to a portion of the ranch identified as Part B-1, which is shown on the map attached hereto as Exhibit A and incorporated herein (the "Harvey Parcel").

C. The Town purchased the Harvey Parcel and took ownership thereof on March 17, 2025, with a desire to allow Lessor to continue using the Harvey Parcel for limited ranch operations.

D. The Parties wish to continue the Grazing Lease, as to the Harvey Parcel only, on the terms and conditions outlined herein.

NOW, THEREFORE, in consideration of the foregoing, and of the conditions, terms, covenants, and agreements hereinafter specified, the Parties agree as follows:

AGREEMENT

1. Harvey Parcel Grazing Lease. Notwithstanding the Former Lessor's partial termination notice, the Parties agree to continue the Grazing Lease as to the Harvey Parcel only, effective April 1, 2025, on the terms outlined in this Amendment (the Grazing Lease, as amended by this Amendment, and limited in scope to just the Harvey Parcel, is the "Harvey Parcel Grazing Lease").

2. Use of the Harvey Parcel. Lessor's use of the Harvey Parcel and the existing facilities thereon includes storing hay in the pole barn, using the medicine shed, and keeping up to 55 cattle in the corral, which graze on the Harvey Parcel and may continue to do so, provided the cattle are prevented from disturbing any building. The pole barn, medicine shed, and corral are shown on Exhibit A. Lessee shall not allow more than the 55 cattle kept in the corral to graze on the Harvey Parcel.

3. Term.

3.1 Initial Term. The Harvey Parcel Grazing Lease shall be effective as of April 1, 2025, and shall remain in effect until March 31, 2026 (the “Initial Term”), unless sooner terminated as provided herein.

3.2 Renewal Terms. After the expiration of the Initial Term, the Harvey Parcel Grazing Lease may be renewed for up to five successive one-year terms (each, a “Renewal Term”) if (A) at least 60 days prior to the end of the then-current term, Lessee requests, in writing, to extend the Harvey Parcel Grazing Lease for an additional one-year term, and (B) Lessor approves the additional one-year term in writing, which approval may be withheld by Lessor for any reason. Lessee’s failure to seek a renewal shall cause the Harvey Parcel Grazing Lease to terminate at the end of its then-current term; provided, however, that Lessor may, at its discretion and with the agreement of Lessee, elect to waive this requirement and renew the Harvey Parcel Grazing Lease. The Initial Term and any Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of the Harvey Parcel Grazing Lease shall remain in full force and effect.

3.3 Non-Default. By requesting extension for a Renewal Term as set forth above, or by consenting to a Renewal Term in any manner, Lessee shall be deemed to affirmatively assert that (A) Lessor is not currently in default, nor has been in default at any time prior to the Renewal Term, under any of the terms or conditions of the Harvey Parcel Grazing Lease, and (B) any and all Lessee claims, known and unknown, relating to the Harvey Parcel Grazing Lease and existing on or before the commencement date of the Renewal Term are forever waived.

3.4 Termination. Either Party may terminate the Harvey Parcel Grazing Lease by giving the other Party 60 days’ written notice.

3.5 Removal of Personal Property. Upon termination of the Harvey Parcel Grazing Lease, Lessee shall remove all Lessee’s personal property from the Harvey Parcel by the termination date. Lessor shall not be responsible for any property relocation costs incurred by the Lessee.

4. Payment. Lessee shall pay Lessor \$200 per month for the Harvey Parcel Grazing Lease, to be paid in advance every six months beginning on April 1, 2025. If the Harvey Parcel Grazing Lease is terminated prior to the end of the prepaid six-month period, Lessor shall refund to Lessee (within 30 days following the termination of the lease) the prorated amount remaining.

5. Conflict/Ratification. In the event of any conflict between the provisions of this Amendment and the provisions of the Grazing Lease, the provisions of this Amendment shall control. Sections 8 through 13 and Sections 18 through 208 of the Grazing Lease shall also apply to the Harvey Parcel Grazing Lease, with the Town being the “Lessor.” The Grazing Lease is affirmed and ratified, and except as expressly modified herein, all terms and conditions of the Grazing Lease shall remain in full force and effect.

6. Notices. Notices and payments to the Town should be addressed as follows:

Town of Chino Valley
202 North State Route 89
Chino Valley, AZ 86323
Attn: Terri Denemy, Town Manager

7. Counterparts. This Amendment may be executed in counterparts via electronic signature, which electronic signatures shall be as binding on the undersigned as original signatures, each of which shall be an original and all of which taken together shall constitute the same instrument.

8. Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Grazing Lease and this Amendment will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party, the Harvey Parcel Grazing Lease will promptly be physically amended to make such insertion or correction.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first hereinabove written.

LESSOR: TOWN OF CHINO VALLEY

Tom Armstrong, Mayor

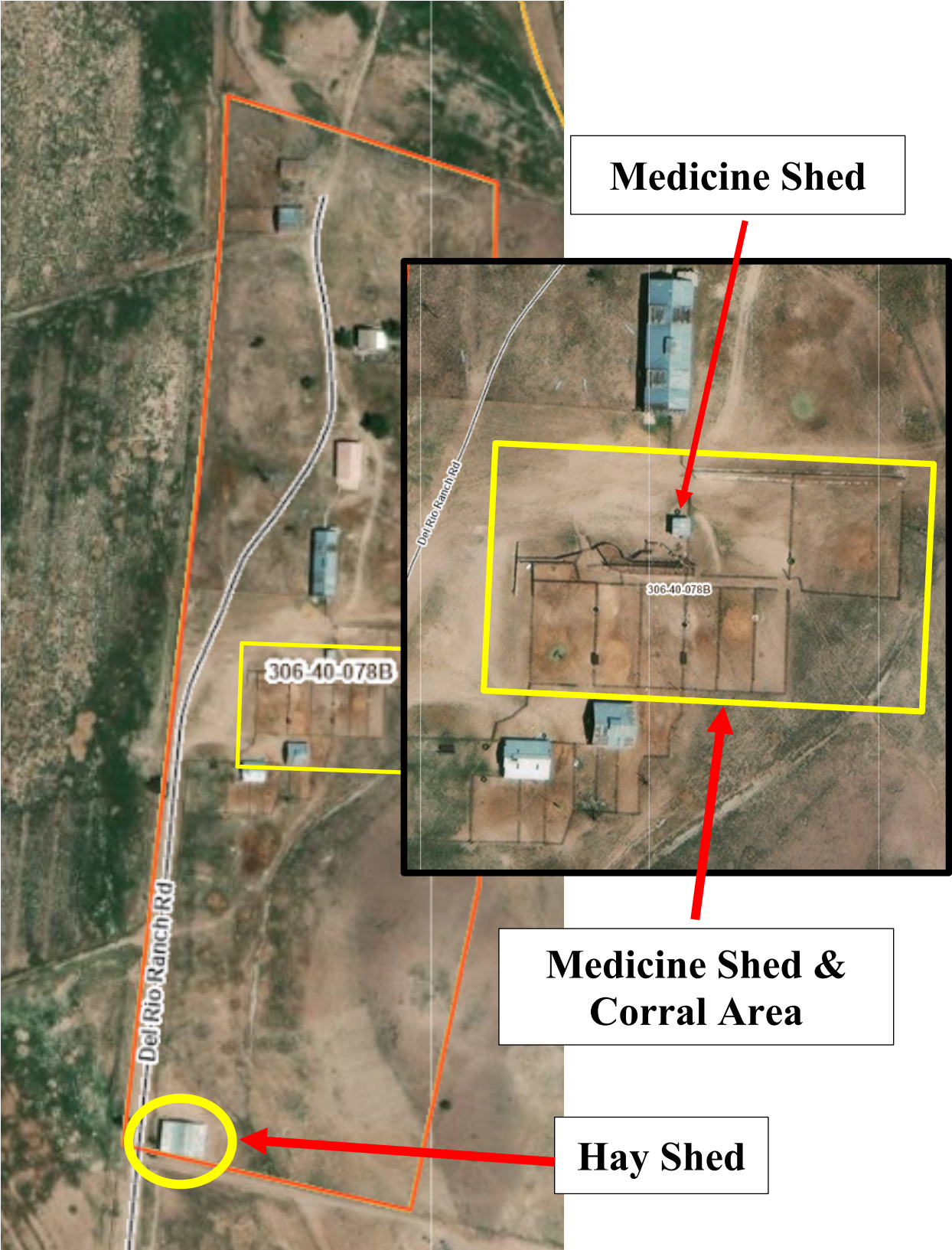
Date: _____

LESSEE: CURT A. WELLS

Curt A. Wells

Date: _____

EXHIBIT A
Part B-1 (Harvey Parcel) Depiction





TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 5c
MEETING DATE: 7/14/2026
CONTACT PERSON: Marrilee Easton, Civilian Officer Supervisor
ITEM TYPE: Consent Item

AGENDA ITEM TITLE:

Consideration and possible action to approve Resolution No. 2026-1321, Intergovernmental Agreement with the Arizona Department of Public Safety, Gang & Immigration Intelligence Team Enforcement Mission (GIITEM), and Chino Valley Police Department.

SUMMARY:

The purpose of this agreement is to enhance law enforcement services concerning the criminal activities of street gangs through the cooperative efforts of the parties. The agreement is a renewal of the expiring agreement entered into September of 2021. The new agreement will remain in effect from the last date signed through June 30, 2027, unless terminated earlier per terms of the agreement.

PREVIOUS ACTION:

Resolution No. 2021-1188 was approved on September 14, 2021, for an Intergovernmental Agreement with the Arizona Department of Public Safety and Chino Valley Police Department for participation in the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM).

STAFF RECOMMENDATION:

Approve Resolution No. 2026-1321, Intergovernmental Agreement with the Arizona Department of Public Safety, Gang & Immigration Intelligence Team Enforcement Mission (GIITEM), and Chino Valley Police Department.

FISCAL IMPACT?

Contract revenues received under this agreement will offset General Fund personnel costs for the officer assigned to GIITEM.

ATTACHMENTS:

1.	RES 2026-1321 - GIITEM IGA
2.	2021-067-R1 IGA Between AZDPS and Chino Valley Police Department_Assign 1 AZPOST to GIITEM Partially Executed

RESOLUTION NO. 2026-1321

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF PUBLIC SAFETY REGARDING THE GANG AND IMMIGRATION INTELLIGENCE TEAM ENFORCEMENT MISSION (GIITEM) STATE GANG TASK FORCE.

BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

SECTION 1. The Intergovernmental Agreement regarding Gang & Immigration Intelligence Team Enforcement Mission (GIITEM) State Gang Task Force (the "Agreement") is hereby approved substantially in the form and substance attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Mayor, the Town Manager, the Town Clerk, the Town Attorney, and the Police Chief are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this resolution.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 14th day of July 2026.

Tom Armstrong, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld P.L.C.

I hereby certify that the above foregoing Resolution No. 2026-1321 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on July 14, 2026, and that quorum was present thereat and that the vote thereon was ____ ayes, ____ nays, and ____ abstentions. ____ Council members were absent or excused.

Erin N. Deskins, Town Clerk

**INTERGOVERNMENTAL AGREEMENT
REGARDING
GANG & IMMIGRATION INTELLIGENCE TEAM ENFORCEMENT MISSION
(GIITEM) STATE GANG TASK FORCE**

This Intergovernmental Agreement ("IGA"), which becomes effective on the date last signed, is entered into between the State of Arizona through its Department of Public Safety ("DPS"), and the City of Chino Valley, through the Chino Valley Police Department ("Agency").

The purpose of this Agreement is to enhance law enforcement services concerning the criminal activities of street gangs through the cooperative efforts of the parties.

DPS is authorized to enter into this IGA pursuant to A.R.S. § 41-1713(B)(3). Both parties are authorized and empowered to enter into this IGA pursuant to A.R.S. § 11-952.

In consideration of the mutual promises set forth herein, the parties to this Agreement agree to the following terms and conditions.

I. PARTICIPATION

Agency agrees to assign one (1) AZPOST certified sworn law enforcement officer ("officer") to DPS's Gang & Immigration Intelligence Team Enforcement Mission ("GIITEM") on a full-time basis for the suppression of gang activity and enforcement of gang-related crimes, as directed by DPS. The Agency agrees the assigned officers shall be in compliance with DPS residency requirements.

During the term of the IGA, Agency and DPS agree that Agency shall continue to provide officers with all employment-related benefits, rights, and privileges. The officers must abide by all of Agency's applicable rules and regulations and are subject to Agency's disciplinary process.

II. DPS'S RESPONSIBILITIES

Based upon the officers' completed DPS weekly time sheets, DPS will reimburse Agency on a monthly basis for seventy-five (75%) percent of personal services and employee-related expenses that accrue during the term of the IGA. Personal services and employee-related expenses are defined as gross pay, FICA taxes, health, dental, and life insurance, workers compensation, retirement, overtime, and sick, vacation, and personal leave. Vacation and sick leave that accrues but is not used will not be reimbursed.

Overtime compensation will be for GIITEM-related activities only. DPS will reimburse all overtime compensation (based upon DPS rules, not to exceed 20 hours per month). An officer must perform a minimum of 40 hours of GIITEM-related work for DPS to reimburse for overtime in any given week. The 20 hours of overtime per month may be exceeded without contacting Agency if DPS determines that additional funding is available, and the overtime is authorized by the respective district commander.

All DPS-approved travel expenses will be reimbursed directly to the officers by DPS under the employee travel reimbursement guidelines established by the Arizona Department of Administration. The amount reimbursed for travel expenses shall be for actual costs incurred during the effective dates of this IGA.

DPS's reimbursement obligations are limited to amounts authorized by this Agreement, approved by DPS, supported by required documentation, and available from appropriated or otherwise authorized funds. DPS will not reimburse costs incurred outside the effective dates of this Agreement or costs that exceed any applicable contract, grant, or budget limitation.

DPS agrees to assign a department vehicle to Agency officers. Officers are responsible for maintaining the assigned vehicle in accordance with DPS policy and shall utilize the DPS assigned vehicle for GIITEM purposes only. Officers must meet the ADOA driver training requirements.

Any other equipment assigned to officers for use during the assignment shall remain the property of the party that assigned the equipment.

III. AGENCY'S RESPONSIBILITIES

Prior to the officer(s) commencing work at DPS/GIITEM, Agency shall furnish DPS with the information necessary for DPS to pay personal services and employee-related expenses as defined in paragraph II. Agency will pay the remaining twenty-five (25%) percent of the personal services and employee-related expenses. DPS will not reimburse Agency for salary increases or changes to base salaries, unless Agency submits the changes to DPS at least 60 days prior to the effective date of the change.

IV. EMPLOYMENT ELIGIBILITY AND PROCUREMENT

To the extent applicable, the parties shall comply with A.R.S. §§ 23-214 and 41-4401. Each party remains responsible for compliance with employment-eligibility verification requirements applicable to its own employees, contractors, and subcontractors.

V. CRIMINAL INTELLIGENCE/INFORMATION SHARING

All collection, access, use, entry, retention, dissemination, and destruction of criminal justice information, criminal intelligence information, and law-enforcement-sensitive information under this Agreement shall comply with applicable federal and state law, CJIS/ACJIS requirements, 28 C.F.R. Part 23 to the extent applicable, DPS policy, applicable system-use rules, and any applicable Agency policy. Nothing in this Agreement authorizes either party to access, use, disclose, or retain information except as permitted by law and policy.

VI. NONDISCRIMINATION

The parties shall comply with all applicable federal and state nondiscrimination laws and applicable Arizona Executive Orders, including Executive Order 2023-01, to the extent applicable.

VII. INDEMNIFICATION

Each party (as "indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, agents, employees, or volunteers.

VIII. DRUG FREE WORKPLACE

Any officers assigned to GIITEM will be subject to random and/or for cause, drug and alcohol testing in accordance with Agency's guidelines. If Agency does not have a drug free program, officers will be required to submit to testing pursuant to the DPS Drug Free Workplace Program. Each assigned officer shall be subject to the responsibilities of and shall retain all rights as provided for in the DPS Drug Free Workplace Program Manual, DPS Form Number DPS 932-02056. DPS shall not charge any fee or cost to Agency for officers who undergo testing. Officers may be removed from GIITEM for failure to comply with the program or failure to pass DPS drug screening requirements.

IX. RECORDKEEPING

Each party shall retain all books, accounts, reports, files, time records, reimbursement records, and other records relating to this Agreement for five (5) years after completion of the Agreement. Such records shall be subject to inspection and audit at reasonable times as required by A.R.S. § 35-214.

X. FEES

Neither party may charge the other for administrative fees for any work performed pursuant to the IGA.

XI. JURISDICTION

To the extent permitted by law, Agency authorizes assigned officers to perform GIITEM duties outside Agency's regular jurisdictional boundaries.

XII. ARBITRATION

In the event of a dispute under this IGA, the parties agree to use arbitration to the extent required under A.R.S. §§ 12-1518 and 12-133.

XIII. WORKER'S COMPENSATION BENEFITS

Pursuant to A.R.S. § 23-1022 D., for the purposes of workers compensation coverage, Agency officers shall be deemed to be employees of DPS and Agency. Agency, as the primary employer, shall be solely liable for payment of workers compensation benefits and the processing of any claims occurring during the officer's assignment to GIITEM.

XIV. LIMITATIONS

This agreement in no way restricts either party from participating in similar activities with other public or private agencies, organizations, and individuals. Nothing in this agreement shall be construed as limiting or expanding the statutory responsibilities of the parties.

XV. EFFECTIVE DATE/DURATION

This Agreement becomes effective on the date last signed and remains in effect through June 30, 2027, unless earlier terminated. The parties may renew this Agreement for additional one-year terms by written amendment or written renewal approved by the parties and their respective legal counsel, subject to the availability of funds and any governing-body approval required by law. No renewal or extension is effective unless approved in the manner required by A.R.S. § 11-952.

XVI. AVAILABILITY OF FUNDS

Every payment obligation of DPS under this agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of the agreement, the agreement may be terminated by DPS at the end of the period for which funds are available. No liability shall accrue to DPS in the event this provision is exercised, and DPS shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

XVII. CANCELLATION

This IGA is subject to cancellation for conflicts of interest pursuant to A.R.S. § 38-511.

XVIII. TERMINATION

Either party may terminate the IGA for convenience or cause upon thirty (30) days written notice to the other party. Upon termination, DPS shall pay all outstanding amounts up through the effective date of the termination. All property shall be returned to the owning party upon termination.

XIX. NOTICE

Any notice required to be given under the IGA will be provided by mail to:

GIITEM Commander
Arizona Department of Public Safety
P.O. Box 6638, Mail Drop 3700
Phoenix, AZ 85005

Chief of Police
Chino Valley Police Department
220 North State Route 89
Chino Valley, AZ 86323

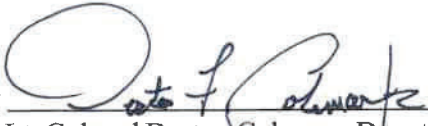
XX. VALIDITY

This document contains the entire agreement between the parties and may not be modified, amended, altered or extended except through a written amendment signed by both parties. If any portion of this agreement is held to be invalid, the remaining provisions shall not be affected.

The parties hereto have caused this IGA to be executed by the proper officers and officials.

STATE OF ARIZONA

OTHER AGENCY

By  _____
Lt. Colonel Deston Coleman, Deputy Director

By _____
Chief Josh McIntire

Date: 6/10/26

Date: _____

APPROVED AS TO FORM

Kenneth Hughes
Digitally signed by Kenneth Hughes
Date: 2026.05.31 22:04:18 -07'00'

Assistant Attorney General

APPROVED AS TO FORM

City/County Attorney



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 5d
MEETING DATE: 7/14/2026
CONTACT PERSON: Katie Pehl, Finance Director
ITEM TYPE: Consent Item

AGENDA ITEM TITLE:

Consideration and possible action to adopt Resolution No. 2026-1315, levying and assessing an ad valorem tax on the assessed value of all real and personal property within the boundaries of the Town of Chino Valley Street Lighting Improvement Districts (CVSLID) for fiscal year 2026-2027, pursuant to Section 48-574, Arizona Revised Statutes.

SUMMARY:

Following the May 26, 2026, approval of Resolution No. 2026-1310 approving the proposed statements and estimates of expenses of the Town of Chino Valley Street Lighting Improvement District for fiscal year 2026-2027, the statements were made publicly accessible on the Town's official website. Additionally, the statements were published twice in the Prescott Daily Courier to ensure transparency and provide ample opportunity for public review. In compliance with statutory requirements, a public hearing was held on June 23, 2026. At a special meeting following the public hearing, Council approved Resolution No. 2026-1313, adopting the Final Budget for the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2026-2027.

Resolution No. 2026-1315 is now being presented to Council for approval to officially levy and assess the ad valorem tax on the properties in the district.

PREVIOUS ACTION:

Resolution No. 2026-1310 was approved on May 26, 2026, approving the proposed statements and estimates of expenses for FY 2026-2027. Resolution No. 2026-1313 was approved on June 23, 2026, approving the final statements and estimates of expenses for FY 2026-2027.

STAFF RECOMMENDATION:

Adopt Resolution No. 2026-1315, levying and assessing an ad valorem tax on the assessed value of all real and personal property within the boundaries of the Town of Chino Valley Street Lighting Improvement Districts (CVSLID) for fiscal year 2026-2027.

FISCAL IMPACT?

Approval will create a levy to pay for street lighting within the CVSLID street lighting districts. The districts are accounted for in a separate fund by the Town.

ATTACHMENTS:

1.	RES 2026-1315 - CVSLID Tax Levy FY 2026-27
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RESOLUTION NO. 2026-1315

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, ORDERING THAT AN AD VALOREM TAX BE FIXED, LEVIED, AND ASSESSED ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY WITHIN THE BOUNDARIES OF THE TOWN OF CHINO VALLEY STREET LIGHTING IMPROVEMENT DISTRICTS IN AMOUNTS SPECIFIED IN THE APPROVED STATEMENTS AND ESTIMATES OF EXPENSES FOR FISCAL YEAR 2026/2027; PROVIDING FOR REPEAL OF CONFLICTING RESOLUTIONS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the provisions of Ariz. Rev. Stat. § 48-616 require the Mayor and Council of the Town of Chino Valley (the "Town Council") to levy taxes upon all property in a municipal street lighting improvement district to pay said district's annual expenses; and

WHEREAS, in accordance with Ariz. Rev. Stat. § 42-17102, the Town Manager prepared and filed with the Town Council the budget estimates for the fiscal year beginning July 1, 2026, and ending June 30, 2027, for the following: (i) Chino Valley, Arizona, CVSLID #1 Lighting Improvement District; (ii) Chino Valley, Arizona, CVSLID #2 Lighting Improvement District; and (iii) Chino Valley, Arizona, CVSLID #3A Lighting Improvement District (collectively, the "Lighting Districts"); and

WHEREAS, on May 26, 2026, the Town Council approved Resolution 2026-1310, adopting the statements and estimates of expenses for Fiscal Year 2026/2027 as the tentative budgets for the Lighting Districts; and

WHEREAS, Resolution 2026-1310 also directed the Town Clerk to (i) make the statements and estimates of expenses available for inspection, not later than seven days after the date of Resolution 2026-1310, at the Chino Valley Public Library, at the Chino Valley Town Hall, and on the official Town Website, and (ii) publish in the official Town newspaper once per week for two consecutive weeks (a) the official statements and estimates of expenses and (b) a notice of the public hearing of the Town Council to hear taxpayers and make tax levies at designated times and places; and

WHEREAS, the required posting occurred, and the required notice was given by the Town Clerk as required by law, and on June 23, 2026, the Town Council (i) held a public hearing on the final budgets and proposed tax levies as required by law and (ii) adopted Resolution 2026-1313, approving the final budgets for the Lighting Districts for Fiscal Year 2026/2027; and

WHEREAS, Yavapai County is the assessing and collecting authority for the Town of Chino Valley, and the Town is required to transmit a certified copy of this Resolution to the Assessor and Board of Supervisors of Yavapai County, Arizona, by the third Monday in August.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. For each street lighting improvement district within the Town of Chino Valley listed on the statements and estimates of expenses, attached hereto as Exhibit A and incorporated herein by reference, a tax rate sufficient to provide funds for the annual expenses of

each such street lighting improvement district is hereby levied on all property, both real and personal, within the boundaries of said districts, except such property which is, by law, exempt from taxation. Said levy shall not exceed \$1.20 per \$100 assessed valuation. The Town Council finds and determines that the amounts specified in the column labeled "2026/2027 Levy Request" on Exhibit A do not exceed \$1.20 per \$100 assessed valuation.

SECTION 3. Certified copies of this resolution shall be delivered to the Yavapai County Board of Supervisors and the Arizona Department of Revenue before the third Monday in August 2026 (August 17, 2026).

SECTION 4. All resolutions or parts of resolutions in conflict with the provisions of this resolution are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, phrase, or portion of this resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 14th day of July 2026.

Tom Armstrong, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld P.L.C.

I hereby certify that the above foregoing Resolution No. 2026-1315 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on July 14, 2026, and that quorum was present thereat and that the vote thereon was ____ ayes, ____ nays, and ____ abstentions. ____ Council members were absent or excused.

Erin N. Deskins, Town Clerk

EXHIBIT A
TO
RESOLUTION NO. 2026-1315

[Statements and Estimates of Expenses]

See the following page.

TOWN OF CHINO VALLEY, ARIZONA

Street Lighting Improvement Districts

Statements and Estimates of Expenses

Fiscal Year - 2026/2027

Co. Dist. No.	Town ID No.	Town ID Name	A	B	C	D	E
			2025/2026 Estimated Actual Expenses	2025/2026 Levy Request	2025/2026 Difference of Expenses vs. Levy	2026/2027 Projected Expenses	2026/2027 Levy Request
13004	CVSLID 1	Chino Valley, Arizona, CVSLID #1 Lighting Improvement District	\$2,270	\$2,300	\$(30)	\$2,300	\$2,300
13005	CVSLID 2	Chino Valley, Arizona, CVSLID #2 Lighting Improvement District	\$1,193	\$1,220	\$(27)	\$1,220	\$1,220
13006	CVSLID 3A	Chino Valley, Arizona, CVSLID #3A Lighting Improvement District	\$1,103	\$1,130	\$(27)	\$1,130	\$1,130
Total			\$4,566	\$4,650	\$(84)	\$4,650	\$4,650



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 5e
MEETING DATE: 7/14/2026
CONTACT PERSON: Katie Pehl, Finance Director
ITEM TYPE: Consent Item

AGENDA ITEM TITLE:

Consideration and possible action to adopt Resolution No. 2026-1316, levying and assessing an ad valorem tax on the assessed value of all real and personal property within the boundaries of the Town of Chino Valley Del Sol Maintenance Improvement District for fiscal year 2026-2027, pursuant to Section 48-574, Arizona Revised Statutes.

SUMMARY:

Following the May 26, 2026, approval of Resolution No. 2026-1311 approving the proposed statements and estimates of expenses of the Del Sol Maintenance Improvement District for fiscal year 2026-2027, the statements were made publicly accessible on the Town's official website. Additionally, the statements were published twice in the Prescott Daily Courier to ensure transparency and provide ample opportunity for public review. In compliance with statutory requirements, a public hearing was held on June 23, 2026. At a special meeting following the public hearing, Council approved Resolution No. 2026-1314, adopting the Final Budget for the Del Sol Maintenance Improvement District for Fiscal Year 2026-2027.

Resolution No. 2026-1316 is now being presented to Council for approval to officially levy and assess the ad valorem tax on the properties in the district.

PREVIOUS ACTION:

Resolution No. 2026-1311 was approved on May 26, 2026, approving the proposed statements and estimates of expenses for FY 2026-2027. Resolution No. 2026-1314 was approved on June 23, 2026, approving the final statements and estimates of expenses for FY 2026-2027.

STAFF RECOMMENDATION:

Adopt Resolution No. 2026-1316, levying and assessing an ad valorem tax on the assessed value of all real and personal property within the boundaries of the Town of Chino Valley Del Sol Maintenance Improvement District for fiscal year 2026-2027.

FISCAL IMPACT?

Approval will create a levy to pay for maintenance within the district. Due to increased landscaping requirements within the district, the levy amount for the prior year must increase significantly. To help ease the financial burden on the homes within the district, the levy is recommended to be reduced to the FY 2025-26 estimated expenditure amount rather than the full \$14,375. Staff is also obtaining updated maintenance quotes in an effort to reduce annual costs closer to the current contract amount of approximately \$9,500. The district is accounted for in a separate fund, and all revenues and expenditures are restricted to district purposes.

ATTACHMENTS:

1.	RES 2026-1316 - DSMID Tax Levy FY 2026-27
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RESOLUTION NO. 2026-1316

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, ORDERING THAT AN AD VALOREM TAX BE FIXED, LEVIED, AND ASSESSED ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY WITHIN THE BOUNDARIES OF THE TOWN OF CHINO VALLEY DEL SOL MAINTENANCE IMPROVEMENT DISTRICT IN AMOUNTS SPECIFIED IN THE APPROVED STATEMENT AND ESTIMATE OF EXPENSES FOR FISCAL YEAR 2026/2027; PROVIDING FOR REPEAL OF CONFLICTING RESOLUTIONS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the provisions of Ariz. Rev. Stat. § 48-574 require the Mayor and Council of the Town of Chino Valley (the "Town Council") to levy taxes upon all property real and personal, in maintenance improvement districts to pay the annual expenses of such districts; and

WHEREAS, in accordance with Ariz. Rev. Stat. § 42-17102, the Town Manager prepared and filed with the Town Council the budget estimates for the fiscal year beginning July 1, 2026, and ending June 30, 2027, for the Town of Chino Valley Del Sol Maintenance Improvement District (the "District") for Fiscal Year 2026/2027; and

WHEREAS, on May 26, 2026, the Town Council approved Resolution 2026-1311, adopting the statement and estimate of expenses for Fiscal Year 2025/2026 as the tentative budgets for the District; and

WHEREAS, Resolution 2026-1311 also directed the Town Clerk to (i) make the statement and estimate of expenses available for inspection, not later than seven days after the date of Resolution 2026-1311, at the Chino Valley Public Library, at the Chino Valley Town Hall, and on the official Town Website, and (ii) publish in the official Town newspaper once per week for two consecutive weeks (a) the official statement and estimate of expenses and (b) a notice of the public hearing of the Town Council to hear taxpayers and make tax levies at designated times and places; and

WHEREAS, the required posting occurred, and the required notice was given by the Town Clerk as required by law, and on June 23, 2026, the Town Council (i) held a public hearing on the final budgets and proposed tax levies as required by law and (ii) adopted Resolution 2026-1314, approving the final budget for the Maintenance Improvement District for Fiscal Year 2026/2027; and

WHEREAS, Yavapai County is the assessing and collecting authority for the Town of Chino Valley, and the Town is required to transmit a certified copy of this Resolution to the Assessor and Board of Supervisors of Yavapai County, Arizona, by the third Monday in August.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. For the maintenance improvement district within the Town of Chino Valley listed on the statement and estimate of expenses attached hereto as Exhibit A and incorporated herein by reference, a tax rate sufficient to provide funds for the adjusted annual expenses is

hereby levied on all property, both real and personal, within the boundaries of said district, except such property which is, by law, exempt from taxation.

SECTION 3. Certified copies of this resolution shall be delivered to the Yavapai County Board of Supervisors and the Arizona Department of Revenue before the third Monday in August 2026 (August 17, 2026).

SECTION 4. All resolutions or parts of resolutions in conflict with the provisions of this resolution are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, phrase, or portion of this resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this 14th day of July 2026.

Tom Armstrong, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld P.L.C.

I hereby certify that the above foregoing Resolution No. 2026-1316 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on July 14, 2026, and that quorum was present thereat and that the vote thereon was ____ ayes, ____ nays, and ____ abstentions. ____ Council members were absent or excused.

Erin N. Deskins, Town Clerk

EXHIBIT A
TO
RESOLUTION NO. 2026-1316

[Statement and Estimate of Expenses]

See the following page.

EXHIBIT "A"

TOWN OF CHINO VALLEY, ARIZONA
Maintenance Improvement Districts

Statement and Estimate of Expenses

Fiscal Year - 2026/2027

			A	B	C	D	E
Co. Dist. No.	Town ID No.	Town ID Name	2025/2026 Estimated Actual Expenses	2025/2026 Levy Request	2025/2026 Difference on Expenses vs. Levy	2026/2027 Projected Expenses	2026/2027 Levy Request
28290	MID- 2022-001	Chino Valley, Arizona, Del Sol Maintenance Improvement District	\$9,487	\$2,750	\$6,737	\$14,375	\$9,487*
Total			\$9,487	\$2,750	\$6,737	\$14,375	\$9,487*

*Due to increased landscaping requirements within the district, the levy amount for the prior year must increase significantly. To help ease the financial burden on the homes within the district, the levy is being reduced to the FY 2025-26 estimated expenditure amount rather than the full \$14,375. It is anticipated that the levy amount will increase in the following fiscal year to fully cover projected expenses.



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 5f
MEETING DATE: 7/14/2026
CONTACT PERSON: Erin Deskins, Town Clerk
ITEM TYPE: Consent/Minutes

AGENDA ITEM TITLE:

Consideration and possible action to approve the June 9, 2026, regular meeting minutes.

STAFF RECOMMENDATION:

Approve the June 9, 2026, regular meeting minutes.

ATTACHMENTS:

1.	2026 06 09 CC RG MND wWM
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**MINUTES OF THE REGULAR MEETING OF THE
TOWN COUNCIL OF THE TOWN OF CHINO VALLEY
TUESDAY, JUNE 9, 2026
6:00 PM
COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY,
ARIZONA 86323**

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Armstrong called the meeting to order at 6:01 p.m. and led the Pledge of Allegiance.

Present: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

Absent:

Staff Present: Town Manager Terri Denemy, Town Attorney Kimberly Campbell - remote, Officer Wade Payne (Sgt. at Arms - arrived at 6:21 p.m.), Executive Analyst Jessi Sorteberg, Human Resources Director Laura Kyriakakis, Development Services Director Laurie Lineberry, Town Water Consultant Mark Holmes, Finance Director Katie Pehl, Public Works Director Ryan Anderson, Town Engineer Steven Sullivan, Fleet Manager Matthew Green, Streets Manager Paul Smith, Community Services Director Cyndi Thomas, IT Support Technician Matt Widner, Audio Visual Technician Nicholas Harwick, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a. Presentation of Certificate of Appreciation to Steven Sullivan, Assistant Public Works Director/Town Engineer.

Terri Denemy, Town Manager, discussed the decision to have Mr. Sullivan assume additional duties after the departure of the previous Public Works Director in December in lieu of hiring an interim director; this decision was a financial and operational benefit for the Town. Ms. Denemy recognized other staff members who took on additional tasks to assist in the transition, including Matthew Green, Paul Smith, Jason Olson, Cyndi Thomas, Jesse Holyfield, and Mark Holmes.

Mr. Sullivan was presented with a Certificate of Appreciation.

- b. Introduction of new Public Works Director, Ryan Anderson.

Terri Denemy, Town Manager, gave a brief overview of Mr. Anderson's experience in Public Works and his involvement in various groups and committees.

Ryan Anderson, Public Works Director, expressed gratitude for the welcome and looks forward to working with the Council toward sustainable infrastructure and maintaining quality of life for the community.

3. CALL TO THE PUBLIC - Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council. Public comment is at the discretion of the Council and not required by law. Individuals are limited to speak for three (3) minutes, yielding of time will not be permitted. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment on items not on the agenda will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism. Public comment is invited and encouraged, however, personal attacks on individuals is not appropriate. Disrespectful behavior will not be tolerated; this includes loud outbursts, profanity, and disruptive discussions among our audience.

Sara Burchill, Deputy Town Clerk, stated there were no requests to speak.

4. CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

a. Status reports by Mayor and Council regarding current events.

Councilmember Switzer stated that June 14th is flag day and encouraged residents to fly their flags proudly.

Councilmember Holt commended the Chino Valley Police Department for their work on the recent accident at Center Street and Reed Road.

Mayor Armstrong stated that YPlan Executive Director, Vinny Gallegos, is having surgery and will be out for a few weeks, YPlan Planner, Bryn Stotler, is retiring, and Amanda Hardt at YPlan is being promoted to Planner. He asked for thoughts and prayers for the YPlan team.

b. Status report by Town Manager Terri Denemy regarding Town accomplishments, and current or upcoming projects.

Terri Denemy, Town Manager, presented the following:

- Movies in the Park are starting up, and the next will be "Road to Eldorado", held Friday, June 12th at 6:30 p.m. in Memory Park.
- The chip seal project is still in progress. Residents should use caution in work zones and expect delays. Residents can check the Town website and social media pages for updates. She commended the Public Works team for their daily work monitoring this project.
- The Chino Valley Police Officer's Association is holding a Picnic in the Park on Saturday, June 13th from 9:00 a.m. to 3:00 p.m. Residents are welcome to join.

5. CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Robert Switzer to approve Consent Agenda items a, b, and c.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

- a. Consideration and possible action to approve the FY2027 affiliate agreement with the Yavapai County Free Library District for library support services.
- b. Consideration and possible action to adopt Resolution No. 2026-1318 designating Kathryn Pehl, Finance Director, as the Chief Fiscal Officer responsible for officially submitting the Fiscal Year 2027 Annual Expenditure Limitation Report to the Arizona Auditor General.
- c. Consideration and possible action to approve the May 26, 2026, regular meeting minutes.

6. ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a. Consideration and possible action to approve Resolution No. 2026-1320 authorizing the loan acceptance of a \$10 Million Clean Water State Revolving Fund loan from WIFA for the Water Reclamation Facility Improvements and the execution and delivery of the loan agreement with WIFA.

Recommended Action: Approve Resolution No. 2026-1320 authorizing the loan acceptance of a \$10 Million Clean Water State Revolving Fund loan from WIFA for the Water Reclamation Facility Improvements and the execution and delivery of the loan agreement with WIFA.

Katie Pehl, Finance Director, presented the following:

- The Town had been working on this process for well over a year, and they are finally at the point of loan acceptance.
- It was previously planned to do the project in two phases, but it has been combined into one phase due to the Clean Water State Revolving Fund.

- Approval from Council of the loan documents and adoption would allow staff to move forward with closing, which is anticipated to be July 9th.
- Discussed the project cost and loan terms.
- Gave a brief overview of the Wastewater Fund and what to expect in the coming years in terms of paying the debt service.

Ryan Anderson, Public Works Director, presented the following:

- Briefly discussed the scope and phases of the project.

Council and staff discussed the following:

- Councilmember McCafferty asked for clarification on what exactly was being done regarding the lift station.
 - Staff stated that it would be a minor improvement to the current lift station to add a shade canopy.
- Councilmember Switzer inquired how much the Wastewater Fund would be in the negative.
 - Staff stated they are anticipating a shortfall of \$130,000 for the next fiscal year. Staff reduced the \$1.6 million owed to the General Fund last year down to 1.3 million, and they hoped not to see it go up past \$1.6 million.
 - Councilmember Switzer inquired what the situation will be once the PFAS Treatment Plant loan comes in.
 - Staff stated those funds would come out of the Water Fund and there is capacity to cover that loan.
- Councilmember McCafferty clarified that there will be \$450,000 to go toward this debt in two years, but the debt service amount is \$666,000.
 - Staff stated that is correct. Due to the recent changes in the fee structure, additional customers set to come on board will offset the expenses.
- Councilmember Switzer inquired about the plant's capacity and potential longevity of the expanded plant.
 - Staff stated it would depend on the growth of the Town, but there should be no problem with the plant handling what the Town currently has plated.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Sherri Phillips to approve Resolution No. 2026-1320 authorizing the loan acceptance of a \$10 million Clean Water State Revolving Fund loan from WIFA for the Water Reclamation Facility Improvements and the execution and delivery of the loan agreement with WIFA.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

- b. Consideration and possible action to approve Resolution No. 2026-1319 adopting the PSPRS Pension Funding Policy and authorizing the use of \$250,000 out of the Town's General Fund Contingency Account to reduce the Public Safety Personnel Retirement System (PSPRS)

unfunded liability amount.

Recommended Action: Approve Resolution No. 2026-1319 adopting the PSPRS Pension Funding Policy and authorizing the use of \$250,000 out of the Town's General Fund Contingency Account to reduce the Public Safety Personnel Retirement System (PSPRS) unfunded liability amount.

Katie Pehl, Finance Director, presented the following:

- Discussed the PSPRS system and the Town's position and progress over the years in lowering the Town's liability by providing additional funding toward the unfunded liability.
- Provided an outlook and projections of when the Town's portion of the unfunded liability should be fully funded assuming they continue contributing at least \$250,000 annually.
- Gave a brief overview of the three tiers in PSPRS and how they affect funding responsibilities between the employer and employees. Fully funding PSPRS will help maintain the fund as tier 1 and 2 members reach retirement age.

Council and staff discussed the following:

- Councilmember Holt commended the Town on its progress regarding this system, as many other towns are much farther "upside down".

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Robert Switzer to approve Resolution No. 2026-1319 adopting the PSPRS Pension Funding Policy and authorizing the use of \$250,000 out of the Town's General Fund Contingency Account to reduce the Public Safety Personnel Retirement System (PSPRS) unfunded liability amount.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

7. ADJOURNMENT

MOVED by Councilmember Sherri Phillips, seconded by Councilmember Larry Holt to adjourn the meeting at 6:30 p.m.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

Tom Armstrong, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 9th day of June, 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2026.

Erin N. Deskins, Town Clerk

DRAFT



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 5g
MEETING DATE: 7/14/2026
CONTACT PERSON: Erin Deskins, Town Clerk
ITEM TYPE: Consent/Minutes

AGENDA ITEM TITLE:

Consideration and possible action to approve the June 23, 2026, regular and special meeting minutes.

STAFF RECOMMENDATION:

Approve the June 23, 2026, regular and special meeting minutes.

ATTACHMENTS:

1.	2026 06 23 CC EX RG SP MND wWM
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**MINUTES OF THE REGULAR AND
SPECIAL MEETING OF THE
TOWN COUNCIL OF THE TOWN OF CHINO VALLEY
TUESDAY, JUNE 23, 2026**

6:00 PM

COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY, ARIZONA 86323

REGULAR MEETING

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Armstrong called the meeting to order at 6:14 p.m. and led the Pledge of Allegiance.

Present: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

Absent:

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire, Officer Scott Unterseher (Sgt. at Arms), Executive Analyst Jessi Sorteberg, Executive Assistant Mike Coomer, Human Resources Director Laura Kyriakakis, Public Works Director Ryan Anderson, Town Engineer Steven Sullivan, Development Services Director Laurie Lineberry, Finance Director Katie Pehl, Lieutenant Amy Chamberlin, Officer Steve Sellers, K-9 Officer Sirius, Town Water Consultant Mark Holmes, Community Services Director Cyndi Thomas, Facilities & Parks Manager Jason Olson, IT Manager Spencer Guest, Audio Visual Technician Nicholas Harwick, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

a. Presentation and recognition of the 2026 Citizens Academy Graduates.

Jessi Sorteberg, Executive Analyst, presented the following:

- Worked with citizens over the last six weeks to explore services and facilities offered in Chino Valley.
- Commended the participants' thoughtful questions and commitment to learning more about local government.

Mike Coomer, Executive Assistant, presented the following:

- Discussed the particulars of the six-week program, including the purpose, why it matters, topics discussed, facilities visited, etc.
- Presented eleven graduates with a Certificate of Completion.

- b. Presentation of a \$1,500 check to Chino Valley Police Department K-9 Unit from the Chino Valley Canine Training Club from the proceeds of their annual fundraiser, "The Territorial K9 Stroll."

Chino Valley Canine Training Club presented a check to Officer Sellers and K-9 Officer Sirius.

- c. Presentation and annual update provided by the Chino Valley Area Chamber of Commerce.

Jessi Sorteberg, Executive Analyst, introduced Julie Ruttle and Bob Layton.

Julie Ruttle, Chino Valley Area Chamber of Commerce Board Chair, and Bob Layton, Chair-Elect, presented the following:

- Thanked the Town and Council for their partnership and engagement with the Chamber.
- Discussed the Chamber, their mission and vision, and recent strategic plan completed with the help of Darla Deville from APS.
- Gave a brief overview of membership, expenses, revenue, and online engagement.
- Listed community partnerships, local events, and scholarships.
- Presented the Chamber Insider outlining membership and what to expect. The Chamber is also working on upgrading their map and webpage.

3. CALL TO THE PUBLIC - Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council. Public comment is at the discretion of the Council and not required by law. Individuals are limited to speak for three (3) minutes, yielding of time will not be permitted. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment on items not on the agenda will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism. Public comment is invited and encouraged, however, personal attacks on individuals is not appropriate. Disrespectful behavior will not be tolerated; this includes loud outbursts, profanity, and disruptive discussions among our audience.

Erin Deskins, Town Clerk, stated there were no requests to speak.

4. CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

- a. Status reports by Mayor and Council regarding current events.

Councilmember Phillips discussed the Righteous Rods Car Show and stated the event raised over \$6,400 for Life Pregnancy Center in Chino Valley.

Mayor Armstrong presented the following:

- He, Terri Denemy, and Maggie Holmberg attended a meeting with Fred Harvey representatives and made connections and progress towards getting the farm going.
- Recognized Chino Valley residents Sage Scott and Richard Horn, Jr. for receiving scholarships from the Republican Women of Prescott.

- b. Status report by Town Manager Terri Denemy regarding Town accomplishments, and current or upcoming projects.

Terri Denemy, Town Manager, presented the following:

- Staff met with Fred Harvey family members and project sponsors. They will be coming down in the next month to tour the farm and hopefully partner together on the project.
- Early voting begins tomorrow. Voters can drop off their ballot at the drop box at Town Hall. Other drop box locations in Yavapai County can be found on the Town's website.
- The Library will be hosting a teaching session on America's first First Lady.
- Stars, Stripes, and Syrup pancakes for pickleball will be hosted on Saturday, July 4th at 10:00 a.m. at the Senior Center, benefiting the Chino Valley Pickleball Association.
- The Aquatic Center will be hosting Open Swim on July 4th from 10:00 a.m. to 4:00 p.m. and a food drive on July 4th.
- There will be no fireworks in Chino Valley for the 4th of July weekend to preserve fire resources. The Town does a display for Territorial Days, the Town's signature event.
- The America 250 Event brochure for 250th celebration events is available on the Town website.

5. **CONSENT AGENDA**

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

Councilmember Holt requested to remove item 5b.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Larry Holt to approve Consent Agenda items a, c, and d.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

- a. Consideration and possible action to approve an intergovernmental agreement for the creation of and participation in the Arizona Child Abduction Response Team.
- b. Consideration and possible action to approve a memorandum of understanding with the Bureau of Alcohol, Tobacco, Firearms, and Explosives Department regarding the eTrace Internet-Based Firearm Tracing Application.
 - Councilmember Holt questioned the constitutionality of tracking firearms and inquired how the system works.
 - Staff stated that the system is paperless and assigns one or two people as administrators. If a firearm comes into the department and is found to have been stolen or used in a crime, it would be remitted to the ATF and would be traceable as to who it belonged to, when it was used, and the last time it was in the system.
 - Councilmember Holt inquired if any records would be kept locally.
 - Staff stated they would not.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember John McCafferty to approve a memorandum of understanding with the Bureau of Alcohol, Tobacco, Firearms, and Explosives Department regarding the eTrace Internet-Based Firearm Tracing Application.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

- c. Consideration and possible action to approve the Third Amendment to the Contract for SR-89 Right-of-Way Landscape Maintenance Services with Titan Landscape Management for one year of services in the amount of \$106,215.60.
- d. Consideration and possible action to approve the May 12, 2026, study session and regular meeting minutes.

6. ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a. Consideration and possible action to approve or defer application for WIFA Funding in the amount of \$10 Million for a PFAS remediation project at the Water Reclamation Facility.

Recommended Action: Defer application for WIFA Funding for a PFAS remediation project

at the Water Reclamation Facility until regulatory compliance is federally defined and/or becomes mandatory.

Terri Denemy, Town Manager, presented the following:

- There are funds available via WIFA for PFAS remediation in wastewater facilities.
- The Public Works Director will discuss what PFAS remediation in wastewater is, and the Finance Director will discuss the financial impacts of potentially doing a project.
- There is currently no legislation regarding PFAS remediation in wastewater, but the Town would need to address the issue if it comes up in the future.

Ryan Anderson, Public Works Director, presented the following:

- Discussed PFAS chemicals and how they enter the reclamation facility.
- Reviewed current regulations on PFAS treatment.
- Discussed the purpose of PFAS remediation at the reclamation facility.
- Gave a brief overview of the clean water act and the contamination limits it imposes.
- Provided a list of potential risks of not proceeding with the project.

Katie Pehl, Finance Director, presented the following:

- Provided the step-by-step process to apply for a project of this type with WIFA.
- Discussed the status of the wastewater fund, annual debt service, and stated that the fund could not support a project of this size and would require a rate increase of approximately \$24 per connection per month. Further stated that staff had no indication as to how much the forgivable principal would be.
- Staff did not recommend moving forward with a project of this type.

Council and staff discussed the following:

- Councilmember McCafferty stated that he thought this was a done deal, that the Council had decided to do one on the supply side, and not the recharge side.
 - Staff stated that is correct. There were preliminary conversations, but it had not been brought to Council for formal direction which is staff's goal for this item.
 - Councilmember McCafferty inquired if recharging PFAS into the aquifer is a higher risk.
 - Staff stated it's an unknown, but they don't believe it will go away.
- Councilmember Switzer inquired if staff thought the EPA would hold the same standard for wastewater as they do for supplied water.
 - Staff stated there has not been talk about a suggested level of contamination.
- Councilmember Switzer inquired if it costs anything to go to the next step to see hard numbers.
 - Staff stated it would be just staff time, but the concern is what the cost of the actual project would be. Staff further stated that the current project is under regulatory compliance and is at a rate of 90% loan/10% forgivable and expect a project of this type to be worse, but staff won't know until the very last step of the process, and it requires a significant amount of staff time.
- Councilmember McCafferty inquired if the Town would have to incur engineering costs in the process.

- Staff stated they would need to have a certain amount of engineering, but was not sure of the exact percentage.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Robert Switzer to defer application for WIFA funding for a PFAS remediation project at the Water Reclamation Facility until regulatory compliance is federally defined and/or becomes mandatory.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

- Public Hearing regarding Resolution No. 2026-1312, relating to the Town's Final Budget for Fiscal Year 2026-2027 and the proposed expenditure limitation for the same year, in the amount of \$48,345,342.

Recommended Action: Hold the public hearing.

Katie Pehl, Finance Director, presented the following:

- Gave a brief overview of the Town budget which has not changed since the last discussion on the matter at the May 26th meeting.

Mayor Armstrong opened the Public Hearing.

There were no requests to speak.

Mayor Armstrong closed the Public Hearing.

Council and staff discussed the following:

- Councilmember McCafferty clarified that although the budget is \$48 million, rather, the Town is only generating about \$24 million every year from various revenues.
 - Staff further clarified that the \$48 million budget provides spending authority should the Town bring in grants or other additional funds.
 - Councilmember McCafferty emphasized how staff has had to work to balance the budget this year to provide funding for capital improvement projects and stated there is no room in the budget without further economic development.
 - Councilmember Switzer stated that the Town lives off TPT revenue and encouraged residents to buy local.
 - Mayor Armstrong stated the Council has tasked staff with increasing economic development.
- Public Hearing regarding Resolution No. 2026-1313, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2026-2027, which shall constitute the budgets of the Districts for Fiscal Year 2026-2027.

Recommended Action: Hold the Public Hearing

Katie Pehl, Finance Director, presented the following:

- The lighting district includes three districts, and it has not changed from the prior year. The fees will decrease slightly based on this year's valuation.

Mayor Armstrong opened the Public Hearing.

There were no requests to speak.

Mayor Armstrong closed the Public Hearing.

- d. Public Hearing regarding Resolution No. 2026-1314, relating to the Statements and Estimates of Expenses of the Del Sol Maintenance Improvement District for Fiscal Year 2026-2027, which shall constitute the budget of the District for Fiscal Year 2026-2027.

Recommended Action: Hold the Public Hearing.

Katie Pehl, Finance Director, presented the following:

- Gave a brief history of the Maintenance Improvement District including properties and maintenance areas.
- Discussed the change in the scope of the maintenance due to code compliance requirements which would be a large impact to the property owners.
- Discussed options Council has on what to charge as a levy amount and gave a breakdown of the cost to each property. Staff was working to get additional bids to hopefully find a cheaper rate.

Council and staff discussed the following:

- Councilmember McCafferty stated that his only issue with this district is the fact that all taxpayers would have to subsidize a portion of it.
- Councilmember Switzer asked staff to look into ways to avoid this and make sure it doesn't happen in the future.
 - Staff stated this was something that was inherited from prior staff and any district this small is difficult to sustain. There would be conversations if something like this came up again. Staff further stated they would prefer to see something like this be handled by an HOA.

Mayor Armstrong opened the Public Hearing.

There were no requests to speak.

Mayor Armstrong closed the Public Hearing.

7. ADJOURNMENT

MOVED by Councilmember Sherri Phillips, seconded by Councilmember John McCafferty to adjourn the meeting at 7:16 p.m.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

SPECIAL MEETING

1. CALL TO ORDER; ROLL CALL

Mayor Armstrong called the meeting to order at 7:26 p.m.

Present: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

Absent:

Staff Present: Town Manager Terri Denemy, Town Attorney Andrew McGuire, Officer Unterseher (Sgt. at Arms), Executive Analyst Jessi Sorteberg, Executive Assistant Mike Coomer, Public Works Director Ryan Anderson, Town Engineer Steven Sullivan, Development Services Director Laurie Lineberry, Finance Director Katie Pehl, Lieutenant Amy Chamberlin, Community Services Director Cyndi Thomas, IT Manager Spencer Guest, Audio Visual Technician Nicholas Harwick, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. Consideration and possible action to approve Resolution No. 2026-1312, relating to the Town's Final Budget for Fiscal Year 2026-2027 and the proposed expenditure limitation for the same year, in the amount of \$48,345,342.

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Robert Switzer to approve Resolution No. 2026-1312, relating to the Town's Final Budget for Fiscal Year 2026-2027 and the proposed expenditure limitation for the same year, in the amount of \$48,345,342.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

3. **Consideration and possible action to approve Resolution No. 2026-1313, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for the Fiscal Year 2026-2027, which shall constitute and are approved as the final budgets of the Districts for Fiscal Year 2026-2027.**

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Sherri Phillips to approve Resolution No. 2026-1313, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for the Fiscal Year 2026-2027, which shall constitute and are approved as the final budgets of the Districts for Fiscal Year 2026-2027.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

4. **Consideration and possible action to approve Resolution No. 2026-1314, relating to the Statements and Estimates of Expenses of the Del Sol Maintenance Improvement District for the Fiscal Year 2026-2027, which shall constitute and are approved as the final budget of the District for Fiscal Year 2026-2027.**

MOVED by Vice-Mayor Eric Granillo, seconded by Councilmember Larry Holt to approve Resolution No. 2026-1314, relating to the Statement and Estimate of Expenses of the Del Sol Maintenance Improvement District for the Fiscal Year 2026-2027, which shall constitute and are approved as the final budget of the District for Fiscal Year 2026-2027.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

7 - 0 Passed - Unanimously

5. **ADJOURNMENT**

MOVED by Councilmember Sherri Phillips, seconded by Councilmember John McCafferty to adjourn the meeting at 7:30 p.m.

AYE: Mayor Tom Armstrong, Vice-Mayor Eric Granillo, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Larry Holt, Councilmember Robert Switzer, Councilmember John Stankewicz

NAY: None

ABSTAIN: None

7 - 0 Passed - Unanimously

Tom Armstrong, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 23rd day of June, 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2026.

Erin N. Deskins, Town Clerk



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 6a
MEETING DATE: 7/14/2026
CONTACT PERSON: Terri Denemy, Town Manager
ITEM TYPE: Action Item

AGENDA ITEM TITLE:

Consideration and possible action to approve a budget transfer in the amount of \$35,000 from the General Fund contingency to the General Fund - Engineering - Water Resources Consultant budget and to approve the Amended and Restated Professional Services Agreement with Mark Holmes, LLC, for water resources consulting services.

SUMMARY:

The Town of Chino Valley has utilized the professional services of Mark Holmes, LLC, for water resources consulting and related professional services for approximately nine years. During that time, the Consultant has provided technical expertise in water resources planning, regulatory compliance, intergovernmental coordination, and strategic water management initiatives.

The current Professional Services Agreement was executed on June 25, 2024, and amended on May 26, 2026, to increase the annual compensation limit for Fiscal Year 2025-26 while maintaining the Agreement's maximum aggregate compensation amount. That increase was requested to cover the anticipated costs for the additional duties assigned to and assumed by the contractor after the departure of the Public Works Director.

The Town continues to utilize a consultant model for water resource management services rather than a full-time employee position, with the Consultant providing specialized expertise while remaining responsible for his own insurance, overhead, and professional expenses. Over the course of the Consultant's approximately nine-year relationship with the Town, the scope and complexity of services provided have evolved significantly. During that period, the Consultant received only one hourly compensation adjustment despite assuming additional responsibilities and continuing to support the Town's increasingly complex water resource management needs. While the increase may be considered significant, the Town acknowledges that the previous compensation rates, as well as the proposed hourly compensation rate, remain below the market for professional services of this nature. In addition to being a well-respected, educated, and versed water resource professional with significant hydrological experience, Mark Holmes is a State of Arizona Professional Geologist. Annual compensation maximums are increased in the new agreement, to allow for unforeseen, potential Town needs that might arise. These maximums are not guaranteed. All work is overseen and approved by the Town Manager or designed in accordance with contract terms and scope of work and compensation subject to annual budget appropriations by Town Council.

In addition to compensation, the proposed Amended and Restated Professional Services Agreement updates several other provisions of the existing arrangement, including billing practices, reporting relationships, and termination requirements.

PREVIOUS ACTION:

Council approved a Professional Services Agreement with Mark Holmes, LLC on June 25, 2024. Council subsequently approved Amendment No. 1 to the Agreement on May 26, 2026. The proposed Agreement would supersede the existing agreement and amendment.

STAFF RECOMMENDATION:

(a) Approve the budget transfer in the amount of \$35,000 from General Fund contingency to the General Fund - Engineering - Water Resources Consultant budget; and (b) Approve the Amended and Restated Professional Services Agreement with Mark Holmes LLC for water resources consulting services.

FISCAL IMPACT?**a) Budget Transfer Action:**

Available budget: General Fund - Contingency	\$940,000
Less this approval item: Budget Transfer to General Fund - Engineering - Water Resources Consultant	<u>-35,000</u>
Adjusted budget: General Fund - Contingency	\$905,000

Available budget: General Fund - Engineering - Water Resources Consultant	\$70,000
Plus this approval item: Budget Transfer from General Fund - Contingency	<u>+35,000</u>
Adjusted budget: General Fund - Engineering - Water Resources Consultant	\$105,000

b) Professional Services Agreement:**FY 2026-27**

Available budget: General Fund - Engineering - Water Resources Consultant	\$105,000.00
Less this approval item: PSA with Mark Holmes, LLC	<u>-105,000.00</u>
Remaining budget: General Fund - Engineering - Water Resources Consultant	\$0.00

Funding for the Professional Services Agreement will be budgeted annually within the Public Works Department - Engineering budget. The proposed Agreement establishes annual not-to-exceed compensation limits ranging as follows:

- 2026-2027: \$105,000 Annual Maximum, Hourly Rate \$90.00
- 2027-2028: \$110,000 Annual Maximum, Hourly Rate \$95.00
- 2028-2029: \$115,000 Annual Maximum, Hourly Rate \$TBD
- 2029-2030: \$120,000 Annual Maximum, Hourly Rate \$TBD
- 2030-2031: \$125,000 Annual Maximum, Hourly Rate \$TBD

Maximum Aggregate for the full contract term is not to exceed \$575,000

ATTACHMENTS:

1.	Amended and Restated Agreement
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**AMENDED AND RESTATED
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
MARK HOLMES LLC**

THIS AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT (this “Agreement”) is entered into as of July 14, 2026, between the Town of Chino Valley, an Arizona municipal corporation (the “Town”), and Mark Holmes LLC, an Arizona limited liability company (the “Consultant”). The Town and the Consultant are the only parties to this Agreement; each is an individual “Party,” and together they are the “Parties.”

RECITALS

A. On June 24, 2025, the Parties entered into a professional services agreement for the Consultant to provide as-needed professional consulting services on water-related issues (the “Services”), and on May 26, 2026, the Parties amended it to increase the Consultant’s compensation (the “Existing Agreement”).

B. The Parties wish to supersede and replace the Existing Agreement with this Agreement, with changes to compensation, billing practices, reporting relationships, and termination requirements.

C. The Mayor and Town Council have determined it is in the Town’s best interest to enter into this Agreement with the Consultant to provide the Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Term of Agreement.**

1.1 **Initial Term.** The Existing Agreement is hereby superseded and replaced with this Agreement, which shall be effective as of the date first set forth above and shall remain in full force and effect until June 30, 2027 (the “Initial Term”), unless terminated as otherwise provided in this Agreement.

1.2 **Renewal Terms.**

A. After the expiration of the Initial Term, this Agreement may be renewed for up to four successive one-year terms (each, a “Renewal Term”) if (A) it is deemed in the best interest of the Town, subject to availability and appropriation of funds for renewal in each subsequent year, (B) at least 30 days prior to the end of the then-current term of this Agreement, the Consultant requests, in writing, to extend this Agreement for

an additional one-year term, and (C) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager's signature thereon, which approval may be withheld by the Town for any reason. The Consultant's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of its then-current term; however, the Town may, at its discretion and with the agreement of the Consultant, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

B. The Town Manager and Consultant shall meet and confer no later than 60 days prior to the end of each fiscal year to review performance under this Agreement, discuss any issues requiring further attention, and consider whether to renew this Agreement for an additional term.

1.3 Non-Default. By requesting extension for a Renewal Term as set forth above, or by consenting to a Renewal Term in any manner, the Consultant shall be deemed to affirmatively assert that (A) the Town is not currently in default, nor has been in default at any time prior to the Renewal Term, under any of the terms or conditions of the Agreement, and (B) any and all Consultant claims, known and unknown, relating to this Agreement and existing on or before the commencement date of the Renewal Term are forever waived.

2. Scope of Work.

2.1 The Consultant shall provide the Services set forth in the Scope of Work attached hereto as Exhibit A and incorporated herein by reference. The Consultant shall (A) provide the Services required by this Agreement; (B) be responsible for all means, methods, techniques, sequences, and proceedings associated with the Services; (C) be responsible for the acts and omissions of its employees, agents, and other persons performing any of the Services under a contract with the Consultant; and (D) report directly to the Town Manager or designee by task or activity as necessary and appropriate.

3. Compensation.

3.1 Rates. The Town shall compensate the Consultant for the Services at the rates set forth in the Scope of Work. Beginning in fiscal year 2028/2029, the Consultant may be eligible for increased hourly rates, subject to budget availability as determined by the Town Manager each March and final approval by the Town Council.

3.2 Calculating Time. Fees for Services shall be calculated based on the actual time expended, subject to a minimum billing increment of 10 minutes per discrete task or session. All time worked that is less than a full 10-minute increment shall be rounded up to the nearest 10-minute interval.

3.3 Annual Maximums. The Town Manager and Consultant will regularly meet to ensure compliance with the annual maximums set forth in the Fee Proposal. However, the Parties recognize that circumstances, such as a particular project or increased workload, may justify exceeding these limits. In such cases, the Town Manager and Consultant will discuss the

matter, and the Town Manager, at the Town Manager's discretion, will determine whether exceeding the annual maximum is justified and, if so, request Council approval to amend this Agreement accordingly.

4. Payments. The Town shall pay the Consultant monthly, based on work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Safety Plan. The Consultant shall provide the Services in accordance with a safety plan that complies with the standards of the Occupational Safety and Health Administration ("OSHA"), the American National Standards Institute, and the National Institute for Occupational Safety and Health. If, in the Consultant's sole determination, the Services to be provided do not require a safety plan, the Consultant shall notify the Town, in writing, describing the reasons a safety plan is unnecessary. The Town reserves the right to request a safety plan following such notification.

6. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town. The Town may use such documents for other purposes without further compensation to the Consultant; however, any reuse without written verification or adaptation by the Consultant for the specific purpose intended will be at the Town's sole risk and without liability or legal exposure to the Consultant.

7. Consultant Personnel. The Consultant shall provide experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. The Consultant agrees to assign specific individuals to key positions. If deemed qualified, the Consultant is encouraged to hire Town residents to fill vacant positions at all levels. The Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, the Consultant shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

8. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during the Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the Town.

9. Licenses. The Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by the Consultant. The Town has no obligation to provide the Consultant, its employees, or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement.

10. Materials; Equipment. The Consultant shall provide, pay for, and insure under the requisite laws and regulations all labor, materials, equipment, tools, transportation, and other facilities and services necessary for the proper execution and completion of the Services.

11. Performance Warranty. In addition to any specific obligations set forth in Exhibit A, the Consultant warrants that the Services rendered will conform to the requirements of this Agreement and shall be carried out with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

12. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the Town and each council member, officer, employee, or agent thereof (the Town and any such person being herein called an “Indemnified Party”), for, from, and against any and all losses, claims, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys’ fees, court costs, and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (“Claims”) to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness, or intentional misconduct of the Consultant, its officers, employees, agents, or any tier of subcontractor in connection with the Consultant’s work or services in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

13. Insurance.

13.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of the Consultant, the Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to Ariz. Rev. Stat. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town’s option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, or by approving or expressing satisfaction with insurance policies and forms pursuant to the provisions of this Agreement, the Town does not represent that coverage and limits will be adequate to protect the Consultant. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve the Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers’ Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials, and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed, and formally accepted by the Town unless specified otherwise in this Agreement.

E. Primary Insurance. The Consultant's insurance shall be primary and non-contributory insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. Claims Made. If any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the Services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements, citing that applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers, and employees for any claims arising out of the work or services of the Consultant. The Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. The Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, the Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the Parties. The Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, the Consultant will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by the Consultant's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage. Still, such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations

of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be the Consultant's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate reference to this Agreement. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing this Agreement will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

1. The Town, its agents, representatives, officers, directors, officials, and employees are Additional Insureds as follows:

a. Commercial General Liability – Under Insurance Services Office, Inc., (“ISO”) Form CG 20 10 04 13 or equivalent.

b. Auto Liability – Under ISO Form CA 20 48 or equivalent.

c. Excess Liability – Follow Form to underlying insurance.

2. The Consultant's insurance shall be primary insurance with respect to performance of this Agreement.

3. All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against the Town, its agents, representatives, officers, officials, and employees for any claims arising out of work or services performed by the Consultant under this Agreement.

ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. The Consultant shall provide the Town with the necessary endorsements to ensure the Town is provided the insurance coverage set forth in this Section 13.

13.2 Required Insurance Coverage.

A. Commercial General Liability. The Consultant shall maintain “occurrence” form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-

completed operations, personal injury, and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials, and employees shall be named as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal to or broader in coverage scope than the underlying insurance.

B. Vehicle Liability. The Consultant shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on the Consultant's owned, hired, and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials, and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal to or broader in coverage scope than the underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work in any way related to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors, and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 annual aggregate.

D. Workers' Compensation Insurance. If the Consultant employs anyone who is required by law to be covered by workers' compensation insurance, the Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over the Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

13.3 Cancellation and Expiration Notice. The Consultant shall provide at least 30 days' prior written notice to the Town before the insurance required herein expires, is canceled, or is materially changed.

14. Termination; Cancellation.

14.1 For Convenience. This Agreement is for the convenience of the Parties and may be terminated without cause by either Party upon 60 days' written notice to the other. In the event of termination for convenience, the Consultant shall be paid for all undisputed Services performed through the effective date of termination.

14.2 For Cause. If either Party fails to perform any obligation pursuant to this Agreement and such Party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting Party, such Party will be in default. In the event of such default, the non-defaulting Party may terminate this Agreement immediately for cause and will have all remedies available to it at law or in equity, including, without limitation, the remedy of specific performance. If the nature of the defaulting Party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting Party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting Party immediately (A) provides written notice to the non-defaulting Party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, the Town shall make payment to the Consultant for the undisputed portion of its fee due as of the termination date.

14.3 Due to Work Stoppage. The Town may terminate this Agreement upon 30 days' written notice to the Consultant in the event that the Services are permanently abandoned. If the Consultant abandons the Services without the consent of the Town, the Consultant shall be liable for all actual, incidental, and consequential damages arising from or related to said abandonment, including, but not limited to (A) the difference between the cost of a replacement consultant to complete the Services and the contract price for the Consultant under this Agreement; and (B) any additional charges, costs, fees or expenses for labor, materials or professional services incurred by the Town as a result of delays caused by abandonment of the Services by the Consultant. The Town shall use its best efforts to replace the Consultant within a reasonable time.

14.4 Conflict of Interest. This Agreement is subject to the provisions of Ariz. Rev. Stat. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other Party to this Agreement in any capacity or a consultant to any other Party of this Agreement with respect to the subject matter of this Agreement.

14.5 Gratuities. The Town may, by written notice to the Consultant, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts, or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

14.6 Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then-current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose, and the Town shall be relieved of

any subsequent obligation under this Agreement. The Parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep the Consultant informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. The Consultant hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this Section.

14.7 Obligations Upon Receipt of Termination Notice. Upon receipt of a notice of termination as set forth above, the Consultant shall (A) immediately discontinue all Services affected (unless the notice directs otherwise), and (B) deliver to the Town copies of all data, reports, calculations, drawings, specifications, and estimates entirely or partially completed, together with all unused materials supplied by the Town, related to the Services including any completed divisible part of the Services which can be deemed to stand alone (the completed divisible parts of the Services will be determined by both Parties at the time of termination). Such termination shall not relieve the Consultant of liability for errors and omissions. Any use of incomplete documents for the Services or for any other project without the specific written authorization by the Consultant will be without liability or legal exposure to the Consultant. The Consultant shall appraise the work it has completed and submit the appraisal to the Town for evaluation.

15. Suspension of Work.

15.1 Order to Suspend. The Town may, for its convenience, order the Consultant, in writing, to suspend all or any part of the Services for such period of time as it may determine to be appropriate.

15.2 Adjustment to Contract Sum. If the performance of all or any part of the Services is, for any unreasonable period of time, suspended or delayed by an act of the Town in the administration of this Agreement, or by its failure to act within the time specified in this Agreement (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in the cost of performance of this Agreement necessarily caused by such unreasonable suspension or modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay (A) to the extent that performance was suspended or delayed for any other cause, including the fault or negligence of the Consultant, or (B) for which a change order is executed.

16. Miscellaneous.

16.1 Independent Contractor. It is clearly understood that each Party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one Party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. The Consultant, its employees, and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority

to supervise or control the actual work of the Consultant, its employees, or subcontractors. The Consultant, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as the Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 and in Exhibit A. The Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. The Parties do not intend to nor will they combine business operations under this Agreement.

16.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona, and suit pertaining to this Agreement may be brought only in courts in Yavapai County, Arizona.

16.3 Laws and Regulations. The Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes, or laws affecting the Services, including, but not limited to, (A) existing and future Town and County ordinances and regulations, (B) existing and future State and Federal laws, and (C) existing and future OSHA standards.

16.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Parties.

16.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party, this Agreement will promptly be physically amended to make such insertion or correction.

16.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement that may remain in effect without the invalid provision or application.

16.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the Parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements, or oral agreements have been made by any of the Parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against, the Party drafting this Agreement. The Parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting and reviewing of, and entry into, this Agreement.

16.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by the Consultant without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by the Consultant in violation of this provision shall be a breach of this Agreement by the Consultant.

16.9 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by the Consultant.

16.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for Services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

16.11 Attorneys' Fees. In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing Party shall be entitled to receive from the other Party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

16.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

16.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Consultant any amounts the Consultant owes to the Town for damages that have been reduced to a judgment resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Consultant any amounts the Consultant owes to the Town for delinquent fees, transaction privilege use taxes, and property taxes, including any interest or penalties.

16.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the Party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (C) given to a recognized and reputable overnight delivery service, to the address set forth below, or at such other address, and to the attention of such other person or officer, as any Party may designate in writing by notice duly given pursuant to this subsection:

If to the Town: Town of Chino Valley
202 North State Route 89
Chino Valley, Arizona 86323
Attn: Terri Denemy, Town Manager

With copy to: Gust Rosenfeld P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Attn: Andrew J. McGuire

If to Consultant: Mark Holmes LLC
531 West Valleri Ann Road
Paulden, AZ 86334
Attn: Mark A. Holmes

Notices shall be deemed received (A) when delivered to the Party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a Party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a Party shall mean and refer to the date on which the Party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

16.15 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Consultant's duties under this Agreement. Persons requesting such information should be referred to the Town. The Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Consultant as needed for the performance of duties under this Agreement.

16.16 Information Technology.

A. Limited Access. If necessary for the fulfillment of this Agreement, the Town may provide the Consultant with non-exclusive, limited access to the Town's information technology infrastructure. The Consultant understands and agrees to abide by all Town policies, standards, regulations, and restrictions regarding access and usage of the Town's information and communication technology resources. The Consultant shall enforce all such policies, standards, regulations, and restrictions with all the Consultant's employees, agents, or any tier of subcontractor granted access in the performance of this Agreement and shall be granted and authorized only such access as may be necessary for the purpose of fulfilling the requirements of this Agreement.

B. Permitted Access. The Consultant's employees, agents, and subcontractors must receive prior, written approval from the Town before being granted access to the Town's information and communication technology resources and data. The

Town, in its sole discretion, shall determine accessibility and limitations thereto. The Consultant agrees that the requirements of this Section shall be incorporated into all subcontractor/subconsultant agreements entered into by the Consultant. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. Notwithstanding the provisions in Section 14, a violation of this Section may result in immediate termination of this Agreement without notice.

C. Data Confidentiality. All Town data and technical information, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the Consultant in connection with this Agreement, are confidential, proprietary information owned by the Town. Except as specifically provided in this Agreement, the Consultant shall not, without the prior, written consent of the Town Manager or authorized designee, (1) disclose data generated in the performance of the Services to any third party, or (2) use Town data and information.

D. Data Security. Personal identifying information, financial account information, or restricted Town information, whether in electronic format or hard copy, must be secured and protected at all times to avoid unauthorized access. At a minimum, the Consultant must encrypt and/or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When Town information, regardless of its format, is no longer required by the Consultant to execute the work contracted by the Town, the information must be redacted or destroyed through appropriate and secure methods to ensure the information cannot be viewed, accessed, or reconstructed.

E. Compromised Security. In the event that data collected or obtained by the Consultant in connection with this Agreement is believed to have been compromised, the Consultant shall immediately notify the Town Manager or authorized Town designee. The Consultant agrees to reimburse the Town for any costs incurred by the Town to investigate potential breaches of this data by the Consultant and, where applicable, the cost of notifying and/or assisting individuals who may be impacted by the breach.

F. Disengagement. In the event this Agreement is terminated by either Party, the Consultant agrees to return to the Town all of its data, in usable and normalized format, within 30 days of notice of termination. There shall be no charge for the return of Town data to the Town.

G. Survival. The obligations of the Consultant under this Section 16.16 shall survive the termination of this Agreement.

16.17 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 16.18, the Consultant's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any of the Consultant's and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent

necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on the Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 16.18. To the extent necessary for the Town to audit Records as set forth in this subsection, the Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to the Consultant pursuant to this Agreement. The Consultant and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give the Consultant or its subcontractors reasonable advance notice of intended audits. The Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

16.18 E-Verify Requirements. To the extent applicable under Ariz. Rev. Stat. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-Verify requirements under Ariz. Rev. Stat. § 23-214(A). The Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

16.19 Israel. To the extent applicable under Ariz. Rev. Stat. § 35-393 through § 35-393.03, the Parties hereby certify that they are not currently engaged in, and agree to not engage in for the duration of this Agreement, a "boycott" of goods or services from Israel, as that term is defined in Ariz. Rev. Stat. § 35-393.

16.20 Conflicting Terms. In the event of any inconsistency, conflict, or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, or the Fee Proposal, the documents shall govern in that order. Notwithstanding the foregoing, unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement (the "Unauthorized Conditions"), other than the Town's project-specific requirements, are expressly declared void and shall be of no force and effect. Acceptance by the Town of any invoice containing any such Unauthorized Conditions or failure to demand full compliance with the terms and conditions set forth in this Agreement shall not alter such terms and conditions or relieve the Consultant from, nor be construed or deemed a waiver of, its requirements and obligations in the performance of this Agreement.

16.21 Time is of the Essence. The timely completion of the Services is of critical importance to the economic circumstances of the Town.

16.22 Meaning of Terms. References made in the singular shall include the plural, and the masculine shall include the feminine or the neuter.

16.23 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

16.24 Forced Labor of Ethnic Uyghurs. To the extent applicable under Ariz. Rev. Stat. § 35-394, the Consultant warrants and certifies that it does not currently, and agrees that it will not for the duration of this Agreement use the forced labor, any goods or services produced by the forced labor, or any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If the Consultant becomes aware that it is not in compliance with this paragraph, the Consultant shall notify the Town of the noncompliance within five business days of becoming aware of it. If the Consultant fails to provide a written certification that it has remedied the noncompliance within 180 days after that, this Agreement shall terminate unless the termination date of this Agreement occurs before the end of the remedy, in which case this Agreement terminates on its termination date.

16.25 Click-Through Terms and Conditions.

A. Terms and conditions not fully outlined in this Agreement, provided to the Town only by reference to one or more websites, or provided to the Town only as “clickwrap” or “click-through” terms when using or attempting to use a site or service, are not binding upon the Town.

B. If either Party uses a web-based ordering system, an electronic purchase order system, an electronic order acknowledgement, a form of an electronic acceptance, or any software-based ordering system with respect to this Agreement (each an “Electronic Ordering System”), the Parties acknowledge and agree that an Electronic Ordering System is for ease of administration only, and the Consultant is hereby given notice that the persons using Electronic Ordering Systems on behalf of the Town do not have any actual or apparent authority to create legally binding obligations that vary from the terms and conditions of this Agreement. Accordingly, where an authorized Town user is required to “click through” or otherwise accept or be made subject to any terms and conditions in using an Electronic Ordering System, any such terms and conditions are deemed void upon presentation. Additionally, where an authorized Town user is required to accept, or be subject to, any terms and conditions in accessing or using any Services, those terms and conditions will also be void.

16.26 Offshore Performance of Work Involving Data is Prohibited. Any Services that are described in the specifications or scope of work that directly serve the Town and involve access to data shall be performed within the defined territories of the United States.

16.27 Artificial Intelligence (AI) Prohibitions. If the Consultant supplies AI services (either directly or through subcontractors or the sale of licenses), such as research, development, training, implementation, deployment, maintenance, provision, or sale of AI systems, then the Consultant is prohibited from using Town data in generative AI queries or for building or training proprietary generative AI programs unless explicitly approved in advance by the Town in writing.

A. The Consultant shall also disclose the utilization of generative AI before producing works owned by the Town or integrating generative AI into Services used by the Town.

B. The Consultant shall perform due diligence to ensure proper licensure of model training data for all generative AI services.

16.28 Licensing and Registration. The Consultant warrants that it is registered with the Arizona Corporation Commission to do business in Arizona and, upon request, will provide proof thereof to the Town.

16.29 Counterparts. This Agreement may be executed simultaneously or in counterparts, each of which constitutes an original, but all of which together constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF CHINO VALLEY,
an Arizona municipal corporation

“Consultant”

MARK HOLMES LLC,
an Arizona limited liability company

Tom Armstrong, Mayor

Mark A. Holmes, P.G.

ATTEST:

Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld P.L.C.

EXHIBIT A
TO THE
AMENDED AND RESTATED
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
MARK HOLMES LLC

[Scope of Work]

See following page.

Scope of Work

1. Any project-based work as assigned by the Town Manager.
2. As assigned, prepare feasibility and technical review comments and enter said comments into the Town's Citizen Serve software (login to be provided by Town). Prepare formal statements of entitlement projects.
3. Upon request, provide expert knowledge and opinions on general and specific water- related questions.
4. Provide compliance assistance on reporting requirements with state and federal agencies related to water resources and quality.
5. Provide guidance and consulting advice on the protection and potential expansion of the Town's water rights and entitlements.
6. Perform project review of water resources, rights, and related applications, as assigned, at the discretion of the Town.
7. As requested by the Town, attend and participate in site visits, meetings, and hearings as a representative of the Town and act in furtherance of the Town's best interests.
8. Perform such other duties, projects, activities, and coordination with third parties as the Town may request from time to time.
9. All Services shall be provided by Mark A. Holmes, P.G.
10. Interactional details not addressed in the Agreement or in this Scope of Work shall be defined in a separate, signed memorandum of understanding between the Town Manager and the Consultant.

EXHIBIT B
TO THE
AMENDED AND RESTATED
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
MARK HOLMES LLC

[Fee Proposal]

See the following page.

Fee Proposal

Term Year	Hourly Rate	Annual Maximum Dollars
2026-2027	\$90	\$105,000
2027-2028	\$95	\$110,000
2028-2029	\$95	\$115,000
2029-2030	\$95	\$120,000
2030-2031	\$95	\$125,000

1. The compensation paid to the Consultant shall include all pre-approved travel, per diem, and incidental expenses for providing the Services, provided that such amounts are pre-approved, consistent with the travel and per diem rates applicable to Town employees, and that all expenses are pass-through without markup.
2. Invoices shall be on the form and in the format provided by the Town and shall be submitted in triplicate to the Town via its authorized representative. Payment shall be made within 30 days of the invoice date. If payment in full is not received by the Consultant within 45 calendar days of the due date, invoices shall bear interest at 1.5% (or the maximum rate allowable by law, whichever is less) on the past-due amount per month, calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.
3. If the Town objects to any portion of an invoice, the Town shall notify the Consultant in writing within five calendar days of receipt of the invoice. The Town shall identify in writing the specific cause of the disagreement and the amount in dispute, and shall pay that portion of the invoice not in dispute in accordance with the payment terms of this Agreement. Interest, as stated above, shall be paid by the Town on all disputed invoice amounts that are subsequently resolved in the Consultant's favor and shall be calculated on the unpaid balance from the invoice's due date.



TOWN COUNCIL AGENDA ITEM STAFF REPORT

AGENDA ITEM # 6b
MEETING DATE: 7/14/2026
CONTACT PERSON: Terri Denemy, Town Manager
ITEM TYPE: Action Item

AGENDA ITEM TITLE:

Consideration and possible action to approve a Second Amendment to the Purchase and Sale Agreement between the Town of Chino Valley and Chino Valley Rodeo Drive, LLC, extending the closing date by 60 days.

SUMMARY:

The Parties entered into the Purchase and Sale Agreement (PSA) dated April 14, 2026, for a tract of approximately 25 acres at Old Home Manor, generally located at 2301 N. Jerome Junction, for the development of an RV Park. Per PSA the Closing Date was to be scheduled on or before July 24, 2026. The RV Park Developer is asking for the closing date to be extended by 60 days, to allow for restructuring and the possible addition of a new corporate partner. This Second Amendment provides for that requested extension. To show the Town Council good faith in their desire to complete this project, the amendment DOES NOT extend the date at which their earnest deposit becomes non-refundable. That date will remain July 13, 2026.

PREVIOUS ACTION:

At the Town Council meeting on April 14, 2026, Council approved the Purchase and Sale Agreement and the Economic Development Agreement with Chino Valley Rodeo Drive, LLC, for development of an RV Park at Old Home Manor. On May 26, 2026, Council approved the First Amendment to the Purchase and Sale Agreement extending the closing date by 11 days to July 24, 2026.

STAFF RECOMMENDATION:

Approve a Second Amendment to the Purchase and Sale Agreement between the Town of Chino Valley and Chino Valley Rodeo Drive, LLC, extending the closing date by 60 days.

FISCAL IMPACT?

The extension does not have a direct fiscal impact. The earnest deposit of \$20,000 will remain non-refundable after the date of July 13, 2026.

ATTACHMENTS:

1.	Second Amendment to Purchase and Sale Agreement
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**SECOND AMENDMENT
TO THE
PURCHASE AND SALE AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
CHINO VALLEY RODEO DRIVE, LLC**

THIS SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT (this “Amendment”) is entered into as of July 14, 2026, between the Town of Chino Valley, an Arizona municipal corporation (“Seller”), and Chino Valley Rodeo Drive, LLC, an Arizona limited liability company (“Purchaser”). Seller and Purchaser are the only parties to this Amendment; each is a “Party,” and together they are the “Parties.”

RECITALS

A. The Parties entered into the Purchase and Sale Agreement dated April 14, 2026, under which Purchaser agreed to purchase a tract of approximately 25.8934 acres of real property generally located at 2301 N. Jerome Junction, Chino Valley, Arizona, comprising portions of Yavapai County Assessor’s Parcel Number 306-02-001X (the “Original Agreement”).

B. On May 26, 2026, the Parties amended the Original Agreement to extend the Closing Date to July 24, 2026 (the “First Amendment”). Together, the Original Agreement and the First Amendment constitute the “Agreement.”

C. The Parties desire to enter into this Amendment to extend the Closing Date to September 22, 2026.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Incorporation of Defined Terms. All capitalized terms not otherwise defined in this Amendment have the same meanings as contained in the Agreement.

2. Extension of Closing Date. The Closing Date is hereby extended up to, but not beyond, September 22, 2026.

3. Earnest Money. Neither the First Amendment nor this Amendment affects the date on which Purchaser’s Earnest Money became non-refundable; that date remains July 13, 2026.

4. Effect of Amendment. The Agreement is affirmed and ratified, and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

5. Non-Default. By executing this Amendment, Purchaser affirmatively asserts that (i) Seller is not currently in default, nor has been in default at any time prior to this Amendment, under any of the terms or conditions of the Agreement, and (ii) any and all claims, known and unknown, relating to the Agreement and existing on or before the date of this Amendment are forever waived.

6. Cancellation. The provisions of Ariz. Rev. Stat. § 38-511 apply to this Amendment and are hereby incorporated as if fully set forth herein.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date and year first set forth above.

“Seller”

TOWN OF CHINO VALLEY,
an Arizona municipal corporation

Tom Armstrong, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Gust Rosenfeld P.L.C., Town Attorney
By: Andrew J. McGuire

“Purchaser”

CHINO VALLEY RODEO DRIVE, LLC,
an Arizona limited liability company

Patrick Cantelme, Sr. Manager